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Financial reports and audited financial statements, and reports of the Board of Auditors

Implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2016

Report of the Secretary-General**

Summary

The present report is submitted in accordance with resolution 48/216 B, in which the General Assembly requested the executive heads of the United Nations funds and programmes to report to the General Assembly, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly on measures taken or to be taken to implement those recommendations.

The Secretary-General has the honour to transmit to the General Assembly the responses of the executive heads of the funds and programmes, namely the International Trade Centre, United Nations University, the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the voluntary funds administered by the Office of the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 and the International Residual Mechanism for Criminal Tribunals.

* A/72/150.

** The present report was submitted late owing to the extensive process of obtaining inputs from the United Nations funds and programmes.

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The present report provides information further to the comments already submitted to the Board of Auditors, which, in some cases, were included in the final reports of the Board to the executive heads of the respective funds and programmes. The executive heads have concurred with most of the Board's recommendations, and many of the comments of the executive heads have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy and streamline documentation, the present report provides additional comments from the executive heads only where required, as well as information on the status of implementation, the office responsible, the estimated completion date and the priority for each recommendation contained in the reports of the Board. In addition, the present report contains an updated status on the implementation of the recommendations of the Board relating to prior periods that it considered as not having been fully implemented.

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I. Introduction

1. The present report is submitted to the General Assembly in accordance with the provisions of paragraph 7 of its resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly through the Advisory Committee on Administrative and Budgetary Questions, to provide their responses to the Assembly and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

2. In preparing the present report, account was taken of the provisions of the following General Assembly resolutions:

(a) Resolution 52/212 B (in particular paras. 3-5) and the note by the Secretary-General transmitting the proposals of the Board of Auditors for improving the implementation of its recommendations approved by the Assembly (A/52/753, annex);

(b) Resolution 71/261 A, in which the Assembly, in paragraph 8, reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure full implementation of the recommendations of the Board and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board. In paragraph 9, the Assembly reiterated its request to that Secretary-General provide in his reports on the implementation of the recommendations of the Board a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that are two or more years old; and in paragraph 10, the Assembly reiterated its request that the Secretary-General indicate in future reports an expected time frame for the implementation of the recommendations of the Board, as well as the priorities for their implementation and the office holders to be held accountable.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates to complete the implementation of the recommendations.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as "main" recommendations. While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be considered to be of the highest priority.

II. International Trade Centre

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[1]

5. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 1 and 2 below.

[1] A/72/5 (Vol. III), chap. II.

Table 1
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	3	–	–	3	3	–
Office of the Executive Director	1	–	–	1	1	–
Total	**4**	**–**	**–**	**4**	**4**	**–**

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	9	–		9	9	–
Office of the Executive Director	2	–		2	2	–
Total	**11**	**–**		**11**	**11**	**–**

6. **In paragraph 14, the Board recommended that the International Trade Centre (ITC) ensure appropriate classification between staff advances and pending recoveries from staff.**

Department responsible: Division of Programme Support

Status: In progress

Priority: Medium

Target date: First quarter of 2018

7. ITC will make the changes for presentation purposes in the financial statements for the year ending 31 December 2017.

8. **In paragraph 17, the Board recommended that ITC ensure appropriate presentation with reference to expenses on non-employee compensation and allowances by including material details in the notes to financial statements.**

Department responsible: Division of Programme Support

Status: In progress

Priority: Medium

Target date: First quarter of 2018

9. With regard to this recommendation, see the comments of ITC in paragraph 7 above.

10. **In paragraph 31, the Board recommended that ITC enhance its monitoring mechanism by ensuring that its sections and divisions prepare their annual workplan in alignment with its operational plan and strategic plan.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

11. ITC will ensure that all sections and divisions prepare individual annual workplans, which will be in addition to, and in alignment with, the existing annual performance plans for divisional directors and sectional chiefs, the annual operational plans and the strategic plan.

12. **In paragraph 40, the Board recommended that ITC conduct an independent staffing review to optimize its resources.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

13. ITC will review this recommendation in detail during 2018, following the analysis of its post descriptions scheduled for the fourth quarter of 2017.

14. **In paragraph 46, the Board recommended that ITC frame a formal policy and guidelines for an inclusive and accessible ITC building for persons with disabilities, similar to the policy set out in the Secretary-General's bulletin of 19 June 2014 (ST/SGB/2014/3).**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

15. The ITC building is already compliant with many Swiss standards for the accessibility of persons with disabilities. The Human Resources Section is working on the ITC policy for persons with disabilities.

16. **In paragraph 52, the Board recommended that ITC fully develop and operationalize the enterprise risk management framework.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

17. ITC is addressing this recommendation within the context of its existing work programme.

18. **In paragraph 59, the Board recommended that ITC operationalize its independent Oversight Committee to strengthen its internal control mechanisms.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

19. ITC will restore and operationalize its Oversight Committee, which was first formed in June 2006. The terms of reference of the Committee were modified in October 2010 and in August 2014. Currently, the Senior Management Committee is also functioning as an oversight committee.

20. **In paragraph 65, the Board recommended that ITC select consultants through a competitive process.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

21. ITC has taken note of this recommendation and has included it in its work programme.

22. **In paragraph 69, the Board recommended that ITC: (a) select consultants through a competitive process; and (b) avoid using consultants for the performance of generic tasks.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

23. ITC has taken note of this recommendation and has included it in its work programme.

24. **In paragraph 77, the Board recommended that ITC update its committee on contracts and Local Property Survey Board.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

25. ITC has taken note of this recommendation and will include it in its work programme.

26. **In paragraph 83, the Board recommended that ITC adhere to the 16-day clause for advance travel planning to reduce travel expenditure and avoid the frequent rescheduling and cancellation of tickets.**

Department responsible: Division of Programme Support

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

27. ITC will continue its efforts to adhere to the 16-day clause for advance travel planning.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

28. In the annex to its report for the year ended 31 December 2016 (A/72/5 (Vol. III), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 12 recommendations that were assessed by the Board to be under implementation. The information is set out in the order in which the recommendations are presented in the annex.

29. The overall situation as at August 2017 is summarized in table 3 below.

Table 3
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	4	–	–	4	4	–
Office of Executive Director	1	–	–	1	1	–
Multiple offices	7	–	–	7	7	–
Total	**12**	**–**	**–**	**12**	**12**	**–**

Report of the Board for the biennium ended 31 December 2013[2]

30. **In paragraph 14, the Board recommended that ITC regularly inform both the General Assembly and the General Council of the World Trade Organization of the projected future level of funding required to support end-of-service liabilities.**

Departments responsible: Division of Programme Support and Department of Management (United Nations Secretariat)

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

31. ITC will follow the lead of the United Nations Secretariat in this regard. A new accrual policy to set aside funds to cover after-service health insurance

[2] A/69/5 (Vol. III), chap. II.

liabilities was promulgated by the Secretariat in 2017 and will be implemented by ITC in a phased manner.

Report of the Board for the year ended 31 December 2014[3]

32. **In paragraph 21, the Board recommended that ITC use the benefits realization plan and the improved financial information derived from the International Public Sector Accounting Standards (IPSAS) to inform and manage financial risks.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

33. Benefits realization is an ongoing process, which is coordinated by the United Nations Secretariat, and ITC is required to report regularly on this matter. Through its use, foreign exchange risks in relation to extrabudgetary contributions are better managed, and ITC will continue to explore further benefits derived from the adoption of IPSAS.

34. **In paragraph 24, the Board recommended that ITC develop a fraud risk assessment to identify areas susceptible to fraud risk, and consider the current mitigations to manage this risk. Furthermore, management should utilize improved functionality in Umoja and the consultant's database to produce exception reports to support management review.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

35. ITC continues to strengthen its processes for identifying and responding to the risks of fraud. With regard to Umoja exception reports, ITC will rely on the Umoja team at the United Nations Secretariat.

36. **In paragraph 44, the Board recommended that ITC further review costs attributable to projects and identify valid costs that could be directly allocated to projects in line with a clear methodology. ITC should use the new functionalities of Umoja and the next phase of the project portal programme to build better data to inform management's decisions on how programme support costs are identified and the rate at which they should be recovered, and to inform a costing strategy.**

[3] A/70/5 (Vol. III), chap. II.

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

37. The review of costs attributable to projects and of programme support cost is in progress. Steps have already been taken through the upgraded project portal and structuring of Umoja to implement results-based budgeting in the project design phase, and to report on costs at the output level.

Report of the Board for the year ended 31 December 2015[4]

38. **In paragraph 16, the Board recommended that ITC should formally evaluate the success of its resource mobilization strategy and further consider other options such as cost reduction to ensure that programme support costs are sufficient to cover the full costs of project activity.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

39. Starting in 2017, the ITC resource mobilization strategy is being evaluated on an annual basis. Progress on resource mobilization targets is already being tracked through the ITC key performance indicators on pipeline development and resource mobilization, which were defined in the ITC operational plan for 2016 and 2017 and are aligned with its strategic plan for 2015-2017. Options for cost reduction are considered at the corporate level as part of the annual budget planning. Each project budget is critically reviewed as part of the project quality review and approval process. A review of programme support costs is also in progress.

40. **In paragraph 34, the Board recommended that ITC continue to review the scale and nature of manual adjustments and conversion journals to identify training needs and process efficiencies.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

41. ITC expects the number of manual adjustments and conversion journals to decrease now that the transition to Umoja from the legacy system has been completed.

[4] A/71/5 (Vol. III), chap. II.

42. **In paragraph 38, the Board recommended that ITC develop clear plans to ensure that payroll clearing and control accounts are reconciled on a timely basis with a full supporting trail.**

Departments responsible:	Division of Programme Support and United Nations Office at Geneva
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

43. The United Nations Office at Geneva handles the ITC payroll and efforts will be made to ensure a clear division of responsibilities.

44. **In paragraph 44, the Board recommended that ITC clearly communicate the business benefits of Umoja and allow sufficient resources to continue to support staff to ensure that the new system becomes embedded in normal business processes and that there is full utilisation of the Umoja functionalities.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

45. ITC will be recording business benefits in line with the guidelines provided by the United Nations Secretariat and will continue to integrate lessons learned in its operations in order to strengthen its business processes.

46. **In paragraph 45, the Board recommended that ITC review business reporting needs and develop a clear schedule for the timely production of regular and extrabudgetary financial reports from Umoja.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

47. ITC has established a schedule of quarterly internal financial reports, and also provides biannual financial reports to its funders and clients through its public website. The reports are presented to the consultative committee of the ITC trust fund at its biannual meetings. The reports have evolved and the quality of information provided has been enhanced, based on the feedback from the consultative committee and the Senior Management Committee. ITC is on track in automating the extraction of relevant information from Umoja by leveraging business intelligence reporting and through the utilization of key information through dashboards containing up-to-date financial information.

48. **In paragraph 49, the Board recommended that, to further strengthen internal control, business intelligence functionality should be used to identify**

exceptions and patterns of expenditure so as to provide insight and focus for management validation and review.

Departments responsible:	Office of the Executive Director, Division of Programme Support and the Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

49. Reporting on exceptions and patterns of expenditure in order to provide insight and focus for management validation and review is a United Nations Secretariat-wide necessity and work has begun to address this with the recent establishment of a global monitoring function of Umoja data, which is being progressively rolled out. ITC will continue to take into account the latest developments in this regard.

50. **In paragraph 53, the Board recommended that ITC record the costs and benefits of the upgrade of the project portal and ensure that, if information is produced from the portal, it is reconciled with project information in Umoja.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

51. ITC will compile a summary of the costs and benefits of the upgrade of the project portal. The reconciliation with Umoja data has been completed. Financial information in the upgraded project portal is extracted directly from Umoja and displayed in a user-friendly manner.

52. **In paragraph 60, the Board recommended that ITC should update its fraud policy and response plan and circulate it to reinvigorate fraud awareness both internally and with its implementing partners, consider a programme of training and explore the potential of Umoja to identify unusual transaction trends and patterns.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

53. In line with the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat, ITC will raise awareness and promote strong anti-fraud values internally and with implementing partners. The process has already been initiated, with several fraud awareness workshops carried out in 2017.

III. United Nations University

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[5]

54. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 4 and 5 below.

Table 4
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Administration	6	1	4	1	1	–
Campus Computing Centre	1	–	–	1	1	–
Office of the Rector	2	–	–	2	2	–
Office of the Rector: UNU Institute for Environment and Human Security (UNU-EHS) and UNU Vice-Rectorate in Europe (UNU-ViE)	2	–	–	2	2	–
UNU-EHS and UNU-ViE	2	–	–	2	2	–
Total	**13**	**1**	**4**	**8**	**8**	**–**

Table 5
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Administration	7	1	5	1	1	–
Campus Computing Centre	2	–	–	2	2	–
Office of Communications	1	–	1	–	–	–
Office of the Rector	2	–	–	2	2	–
Office of the Rector: UNU-EHS and UNU-ViE	2	–	–	2	2	–
UNU-EHS and UNU-ViE	6	–	–	6	6	–
Total	**20**	**1**	**6**	**13**	**13**	**–**

55. **In paragraph 17, the Board recommended that UNU separately assess for impairment, on an individual basis, significant voluntary contributions receivable on the basis of whether objective evidence of impairment exists.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

[5] A/72/5 (Vol. IV), chap. II.

56. UNU has assessed voluntary contributions receivable for impairment and increased the allowance for the year ended 31 December 2016. Furthermore, UNU has included this assessment work as part of the annual financial closing procedure.

57. **In paragraph 29, the Board recommended that UNU adjust its reference guide on the United Nations Policy Framework for IPSAS to clarify that a case-by-case assessment of all multi-year agreements is necessary to determine whether such agreements are conditional.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

58. UNU revised and published its reference guide to the United Nations Policy Framework for IPSAS during the second quarter of 2017.

59. **In paragraph 30, the Board recommended that UNU consider multi-year donor agreements to be conditional when the receipt of future instalments depends on the fulfilment of enforceable performance obligations, specifically in instances in which UNU has no experience with the donor or has not previously breached obligations, and therefore has no evidence whether enforcement is likely.**

Department responsible:	Administration
Status:	Not accepted
Priority:	High
Target date:	Not applicable

60. UNU does not agree with the recommendation as it is contrary to the United Nations Policy Framework for IPSAS. Paragraph 8.4.15 of the Policy Framework states that: "For an arrangement to be treated as conditional, the agreement must have stated performance and return obligations that are monitored, with a mechanism for tracking and record of enforcement". These criteria are also stressed in paragraphs 21 to 24 of IPSAS 23. UNU reiterates its comments that the stipulations in the agreements are not conditions as all the criteria for conditions in paragraphs 21 to 24 of IPSAS 23 (substance over form) have not been fully met.

61. **In paragraph 39, the Board recommended that UNU discount its long-outstanding voluntary contributions receivable.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

62. UNU has assessed that the impact of discounting its long-outstanding voluntary contributions receivable and concluded that it is not material to its financial statements for the year ended 31 December 2016.

63. **In paragraph 45, the Board recommended that UNU review its internal process for creating accruals and implement internal controls to ensure that expenses are identified and accrued in appropriate periods.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

64. UNU documented and published the internal processes and controls for creating accruals during the second quarter of 2017.

65. **In paragraph 60, the Board recommended that UNU ensure that a mechanism is in place for reviewing requests for exceptions to the six-year term limit for academic personnel. UNU should therefore define an efficient system of quality indicators and benchmarks to measure the success of the activities carried out by academic staff.**

Departments responsible:	Office of the Rector, UNU-EHS and UNU-ViE
Status:	Not implemented
Priority:	High
Target date:	Fourth quarter of 2018

66. The Office of the Rector will establish an adequate review mechanism. Furthermore, UNU-EHS and UNU-ViE will define a system that builds on existing performance management information in order to address the recommendation.

67. **In paragraph 61, the Board recommended that UNU-EHS and UNU-ViE introduce a transparent scheme for longer-term projects. The scheme should clearly describe the roles of project staff and the procedure of finding successors to project leaders or section heads.**

Departments responsible:	Office of the Rector, UNU-EHS and UNU-ViE
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

68. The scheme for longer-term projects will build on existing planning instruments, namely: (a) Pelikan, the online project management system; and (b) the performance appraisal report, as the staff planning instrument.

69. **In paragraph 67, the Board recommended that UNU-EHS and UNU-ViE establish an overall strategy for the implementation of the 2030 Agenda for Sustainable Development through its research and policy advice. This should include future work programmes that relate explicitly to the Sustainable Development Goals.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

70. Data informing the strategy on how UNU-EHS and UNU-ViE support the implementation of the 2030 Agenda, as well as any related relevant framework, are already available and they will benefit from strengthened communication about the contributions of UNU.

71. **In paragraph 68, the Board recommended that UNU should strengthen its communication on the implementation and achievements of research projects and policy advice regarding the 2030 Agenda for Sustainable Development.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

72. With regard to this recommendation, see the comments of management in paragraph 70 above.

73. **In paragraph 75, the Board recommended that UNU-EHS and UNU-ViE perform a physical verification exercise for all capital and non-capital assets as soon as possible and update the actual locations of all assets and the information about the custodian.**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

74. UNU-EHS and UNU-ViE have completed a review of asset management operational procedures and designed the monitoring mechanism in collaboration with the Information and Communication Technology Unit.

75. **In paragraph 76, the Board recommended that UNU update the information on capital and non-capital assets in the Atlas enterprise resource planning system on the basis of the physical verification exercise as at April 2017. Atlas should display only assets with the status "in use" that are really in service. Assets that are obsolete or not in use should be deleted in Atlas or at least their asset status should be changed from "in use" to "disposed of".**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

76. UNU-EHS and UNU-ViE have started to conduct a physical verification of assets. The update of the information in the Atlas enterprise resource planning system and in the new monitoring tool is expected to be completed by the end of 2017.

77. **In paragraph 77, the Board recommended that UNU tag all capital and non-capital assets in use with a valid tag label in reference to the information recorded in Atlas.**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

78. With regard to this recommendation, see the comments of UNU in paragraphs 74 and 76 above.

79. **In paragraph 89, the Board recommended that the Campus Computing Centre establish a formalized risk management process to include the information and communications technology (ICT) systems of other United Nations entities hosted by the Centre. The risk management document was to be reviewed periodically.**

Department responsible:	Campus Computing Centre
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

80. The Campus Computing Centre is reviewing the risk management processes of other entities it provides services to and will adjust its risk management process accordingly, as appropriate.

81. **In paragraph 96, the Board recommended that UNU-EHS and UNU-ViE establish and review all necessary policies for using ICT systems within the entity and ensure that all staff comply with those policies.**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2018

82. A review of existing UNU ICT policies is in progress. The formulation of an aligned set of ICT policies based on UNU-ViE and UNU-EHS requirements is ongoing.

83. **In paragraph 97, the Board recommended that UNU-EHS and UNU-ViE plan, formalize and carry out all activities for business continuity and disaster recovery for any event of disruption. Such plans were to be reviewed periodically.**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	High
Target date:	Third quarter of 2018

84. The scope of the ongoing ICT renewal exercise will invalidate existing business continuity and disaster recovery measures for UNU-ViE and UNU-EHS. Formal plans will be formulated and formalized as part of the project to replace the ICT infrastructure and services and will be maintained without delay.

85. **In paragraph 107, the Board recommended that UNU-EHS and UNU-ViE not implement Office 365 until the efficiency of implementing Office 365 in comparison with adequate services provided by the institutes themselves has been verified. Aspects of information technology security also needed to be considered in this verification process.**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

86. A review of the Office 365 service is planned after the successful replacement and integration of priority ICT infrastructure and services.

87. **In paragraph 111, the Board recommended that the UNU Campus Computing Centre use only formal agreements with the entities for which it provides services.**

Department responsible:	Campus Computing Centre
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

88. The Campus Computing Centre is making arrangements to use formal agreements for any new clients it will provide services to.

89. In **paragraph 116, the Board recommended that UNU determine minimum requirements for invoices provided by vendors.**

Department responsible:	Administration
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

90. UNU set up minimum requirements for invoices received from its vendors and informed the entire organization of the requirements during the second quarter of 2017.

91. **In paragraph 122, the Board recommended that UNU transfer the main facts and figures contained in its annual report to a special section on its website and regularly update the data.**

Department responsible:	Office of Communications
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

92. During the second quarter of 2017, the Office of Communications added the facts and figures contained in its latest annual report to its website and it will update the information on a continual basis.

93. **In paragraph 124, the Board recommended that UNU restrict access to the personal data contained in personnel service agreements and consultant and individual contractor contracts to the responsible approving officer.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

94. UNU is working on the technical requirements to implement a restricted access policy to personnel data in the Atlas enterprise resource planning system.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

95. In the annex to its report for the financial period ended 31 December 2016 (A/72/5 (Vol. IV), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. In the present section, information is provided on the 7 recommendations that were assessed by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

96. The overall situation as at August 2017 is summarized in table 6 below.

Table 6
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Administration	4	1	1	2	2	–
Office of the Rector	2	–	1	1	1	–
UNU Institute for Integrated Management of Material Fluxes and of Resources (UNU-FLORES)	1	–	–	1	1	–
Total	**7**	**1**	**2**	**4**	**4**	**–**

Report of the Board for the biennium ended 31 December 2013[6]

97. **In paragraph 35, UNU agreed with the Board's recommendation that it develop relevant guidelines for project management and include performance indicators, baselines and other key elements in the project plan in the future.**

Department responsible:	Office of the Rector
Status:	Implemented
Priority:	High
Target date:	Not applicable

98. The new project management guidelines were approved in December 2016 by the Council of UNU. Directors were briefed at a conference held in Tokyo in December 2016, and the guidelines were distributed in April 2017.

Report of the Board for the year ended 31 December 2014[7]

99. **In paragraph 35, UNU agreed with the Board's recommendation that it: (a) improve documentation practices to enhance transparency in the selection process; (b) conduct formal evaluation of work performed before the renewal of contracts; (c) make payments of fees on a lump-sum basis after certification by the authorized official of satisfactory completion of work; and (d) take measures to ensure that the total duration of services does not exceed the administrative instructions issued in this regard.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

100. After the latest audit by the Board, more robust controls are being put in place to ensure full compliance.

Report of the Board for the year ended 31 December 2015[8]

101. **In paragraph 14, the Board recommended that UNU create deferred revenue liability for the amount of future instalments which depend on the fulfilment of performance obligations.**

Department responsible:	Administration
Status:	Not accepted
Priority:	Medium
Target date:	Not applicable

102. UNU disagreed with the recommendation as it is contrary to the United Nations IPSAS policy framework.

[6] A/69/5 (Vol. IV), chap. II.
[7] A/70/5 (Vol. IV), chap. II.
[8] A/71/5 (Vol. IV), chap. II.

103. **In paragraph 18, the Board recommended that UNU review the useful lives of all assets, revalue the fully depreciated assets which are still in use and estimate their useful lives.**

Department responsible:	Administration
Status:	Implemented
Priority:	High
Target date:	Not applicable

104. The findings of the task force on the accounting standards on property, plant and equipment concluded that there were no changes that would have an impact on UNU.

105. **In paragraph 31, the Board recommended that UNU-FLORES: (a) review its fundraising strategy to develop new avenues of core funding, such as multilateral funding agencies, in order to put its financial health on a sound long-term footing; (b) explore the possibility with its donors for the establishment of an endowment fund; and (c) make short-term investments of the surplus funds through the UNU Centre in Kuala Lumpur.**

Department responsible:	UNU-FLORES
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

106. The delay in implementing part (a) of the recommendation is due to the timing of the renewal of the funding agreement and the annex to the permanent memorandum of understanding. The Board assessed parts (b) and (c) of the recommendation as having been overtaken by events.

107. **In paragraph 36, the Board recommended that UNU take adequate steps for proper budget planning for control and optimum utilization of its resources.**

Department responsible:	Office of the Rector
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

108. The Office of the Rector, in consultation with the administration, is addressing the recommendation in the context of the formulation of the budget for the next biennium.

109. **In paragraph 87, the Board recommended that UNU put in place a business continuity plan to ensure that it can continue in operation in the event of major disruptions to its normal business environment, in the interests of the organization.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

110. Draft plans for business continuity and for emergency response have been compiled for UNU headquarters during the second quarter of 2017 and are in the process of being finalized.

IV. United Nations Development Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[9]

111. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 7 and 8 below.

Table 7
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of Financial Resources Management	2	–	–	2	2	–
Office of Human Resources	1	–	–	1	1	–
Office of Information Management and Technology	2	–	–	2	2	–
Multiple offices	4	–	–	4	4	–
Regional bureaux	3	–	–	3	3	–
Total	**12**	**–**	**–**	**12**	**12**	**–**

Table 8
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Executive Office	1	–	–	1	1	–
Office of Financial Resources Management	3	–	–	3	3	–
Office of Human Resources	2	–	–	2	2	–
Office of Information Management and Technology	5	–	1	4	4	–
Multiple offices	10	–	–	10	10	–
Regional bureaux	11	–	–	11	11	–
Total	**32**	**–**	**1**	**31**	**31**	**–**

[9] A/72/5/Add.1, chap. II.

112. **In paragraph 20, UNDP agreed with the Board's recommendation that it review aged prepayments and indicators of the IPSAS dashboard with a view to reconfiguring the dashboard to accommodate prepayments from contracts whose delivery period exceeded 180 days without "red rating" them. Thus, the IPSAS dashboard would "red rate" only those prepayments that exceeded the delivery due dates indicated in their contracts instead of using 180 days as the red-rating cut-off for all types of prepayments.**

Departments responsible:	Office of Financial Resources Management, Office of Information Management and Technology and Regional Bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

113. UNDP is working on a revision of the prepayment indicator in the IPSAS dashboard to modify the reference point for ageing outstanding prepayments to take into account the delivery date specified in the purchase order. Business specifications for the modified indicator have been submitted to the Office of Information Management and Technology and the new indicator will be rolled out once the configuration is completed.

114. **In paragraph 24, UNDP agreed with the Board's recommendation that it: (a) enhance monitoring of trust funds and review the status of their projects in order to determine which trust funds are inactive; and (b) close, in a timely manner, all trust funds identified as inactive.**

Departments responsible:	Regional and central bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

115. UNDP will continue its efforts through working with regional and central bureaux to monitor and close inactive trust funds.

116. **In paragraph 29, the Board recommended that UNDP, in consultation with the actuary: (a) determine the threshold for significant change in the population of the after-service health insurance enrolment records which would require the performance of a full census of staff for the valuation of after-service health insurance liability at year-end; and (b) include in the actuarial report the estimated change in population as a part of the key information.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

117. Regarding part (a) of the recommendation, UNDP will propose to the United Nations System Chief Executives Board for Coordination, through the IPSAS Task

Force on Accounting Standards of the Finance and Budget Network, that a management decision regarding what would be considered a significant change be collectively documented, taking into account both quantitative and qualitative components. Regarding part (b) of the recommendation, UNDP will request that the actuary include the estimated change in population in the actuarial report as part of the key information.

118. **In paragraph 30, the Board also recommended that, in future, UNDP obtain confirmation from the United Nations on retiree after-service health insurance enrolment records as part of year-end certifications and reconcile the differences (if noted) with records in Atlas, the actuarial valuation report and corresponding after-service health insurance liability in the financial statements.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

119. UNDP will validate the after-service health insurance retiree enrolment numbers during the years for which these figures are provided to the actuaries.

120. **In paragraph 34, UNDP agreed with the Board's recommendation that it: (a) verify and transfer the noted liabilities of malicious acts insurance policy premiums and medical insurance premiums to proper accounts codes; and (b) clear these long-outstanding liabilities on time.**

Departments responsible:	Office of Financial Resources Management and Office of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

121. UNDP has started the process of verifying and clearing the outstanding balances.

122. **In paragraph 39, the Board recommended that UNDP ensure that the Honduras and Bangladesh country offices: (a) continue to liaise with the implementing partner counterparts so that they fully own the United Nations Development Assistance Framework process and thereby facilitate timely Development Assistance Framework implementation, annual reviews and progress reviews; and (b) consider adopting strategies to enable the United Nations Development Assistance Framework annual review and progress reports in the next programme cycle to be completed on time.**

Departments responsible:	Regional Bureau for Asia and the Pacific and Regional Bureau of Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

123. With regard to part (a) of the recommendation, the UNDP Bangladesh and Honduras country offices will continue liaising with their Government counterparts to ensure full engagement and ownership of the United Nations Development Assistance Framework processes. Regarding part (b) of the recommendation, a follow-up with United Nations country teams and the Resident Coordinators' offices has been carried out in order to enable the conduct of timely annual reviews of the United Nations Development Assistance Framework during the next programme cycle.

124. **In paragraph 44, the Board recommended that UNDP: (a) introduce a clause in the cooperation agreements on the communication obligations of all parties involved in programme implementation, including measures for motivating implementation of those obligations; and (b) increase follow-up with counterparts to ensure that appropriate measures are taken to address the recurrence of the delayed certification of combined delivery reports by both UNDP and implementing partners.**

Departments responsible:	Office of Financial Resources Management and regional bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

125. Regarding part (a) of the recommendation, UNDP has updated the policy and guidance on combined delivery reports. Regarding part (b) of the recommendation, the regional and central bureaux will increase follow-up actions with counterparts to ensure that appropriate measures are taken to address delayed certifications.

126. **In paragraph 51, the Board recommended that UNDP ensure: (a) the timely review and updating of project risks, issues and monitoring logs and document this in Atlas as the primary source of projects information; and (b) that project boards conduct regular meetings as a means of continuously monitoring project implementation.**

Departments responsible:	Bureau for Policy and Programme Support and regional bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

127. UNDP will update the Programme and Operations Policies and Procedures to provide clarity on which platform should be officially used to record project monitoring activities by both UNDP and project boards.

128. **In paragraph 56, the Board recommended that: (a) the Republic of Moldova country office update information in the Evaluation Resource Centre database in a timely manner; and (b) that UNDP headquarters consider establishing a time frame for the updating by country offices of key actions in the Evaluation Resource Centre database.**

Departments responsible:	Regional Bureau for Europe and Commonwealth of Independent States
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

129. With regard to part (a) of the recommendation, the Republic of Moldova country office will take action to ensure that information is updated in a timely manner in the Evaluation Resource Centre database, the UNDP information management system. Regarding part (b) of the recommendation, UNDP will ensure that all evaluations have management responses that include time-bound key actions and that the status of implementation will be regularly updated in the Evaluation Resource Centre.

130. **In paragraph 62, UNDP agreed with the Board's recommendation that it review the documents for the two projects so as to accommodate the period of delay and ensure that the projects are completed within the scheduled time period.**

Department responsible:	Regional Bureau for Asia and the Pacific
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

131. The UNDP Bangladesh country office has taken measures to accommodate the delayed period within the project cycles of the two projects, and technical project proposals have already been approved for both projects.

132. **In paragraph 69, UNDP agreed with the Board's recommendation that it: (a) take proactive measures to ensure that all operationally closed projects are financially closed within 12 months, in accordance with the Programme and Operations Policies and Procedures, which would entail obtaining, in a timely manner, donors' approvals on refunds or reprogramming of unspent amounts, and thoroughly review and effect all transactions related to projects before they are financially closed; and (b) ensure that all asset balances are cleared before projects are financially closed.**

Departments responsible:	Regional Bureau for Asia and the Pacific and Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

133. Regarding the part (a) of the recommendation, UNDP will obtain donor approvals in line with standard donor agreement stipulations on refunds and the reprogramming of unspent balances. To address part (b) of the recommendation, UNDP will continue to ensure that asset balances are cleared before projects are financially closed.

134. **In paragraph 76, the Board recommended that UNDP: (a) ensure that inactive projects in Bangladesh and all country offices are closed in line with the Programme and Operations Policies and Procedures; and (b) obtain, in a timely manner, donors' endorsement on final reports, approvals so that the last tranche or portion of funds can be disbursed to the country office and approvals so that remaining project funds can be refunded to donors or reprogrammed, in order to ensure that all projects are closed on time.**

Department responsible:	Regional Bureau for Asia and the Pacific
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

135. Regarding part (a) of the recommendation, UNDP's Bangladesh country office will monitor the timely closure of inactive projects in line with the Programme and Operations Policies and Procedures. Regarding part (b) of the recommendation, UNDP will ensure that adequate follow-up on donor approvals on refunds or on the reprogramming of unspent amounts is carried out.

136. **In paragraph 77, UNDP agreed with the Board's recommendation that it: (a) review the basis, criteria and guidelines used for determining the percentage of administrative agent fees apportioned to central services; and (b) also review the Multi-Partner Trust Fund Office policy (on administrative agent fee income) and the justification for the basis and criteria for apportioning the administrative agent fees between the Trust Fund Office and UNDP country offices that have received a delegation of authority from the Trust Fund Office Executive Coordinator.**

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

137. In order to implement the recommendation, UNDP will review the administrative agent fee guidelines and the Multi-Partner Trust Fund Office policy.

138. **In paragraph 82, the Board recommended that the Bangladesh, Honduras and Uruguay country offices: (a) liaise with other United Nations agencies using the harmonized approach to cash transfers to resolve the challenges noted and prepare joint harmonized approach to cash transfers assurance plans for shared implementation partners; and (b) ensure that those assurance plans are both endorsed by the country representatives and implemented.**

Departments responsible:	Regional Bureau for Asia and the Pacific, and Regional Bureau of Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

139. The three country offices, through the joint harmonized approach to cash transfers committee meeting, will accelerate the preparation of 2017 joint harmonized approach to cash transfers assurance plans in line with the Programme and Operations Policies and Procedures, which will be endorsed by the country representatives of relevant agencies.

140. **In paragraph 87, the Board recommended that UNDP ensure that for the next programme cycle, the harmonized approach to cash transfers assurance plan for the Honduras country office: (a) is prepared at the beginning of the programme cycle, approved by country director or resident representative and updated annually; and (b) includes all required details such as implementing partner risk ratings and cash transfer modalities.**

Department responsible:	Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

141. The Honduras country office will prepare the harmonized approach to cash transfers assurance plan and ensure that it is approved and updated annually during the 2017-2021 cycle, in compliance with the harmonized approach to cash transfers requirements.

142. **In paragraph 92, the Board recommended that UNDP: (a) perform regular vendor data checks to maintain accurate and up-to-date data, including removal of duplicate active vendors; (b) ensure regular review and correction of vendors' bank information so as to eliminate the existence of vendors with the same bank account numbers; and (c) review transactions processed through accounts shared by multiple vendors to ensure that no inappropriate transactions are included.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

143. Regarding parts (a) and (b) of the recommendation, UNDP will send a communication to country offices and headquarters units through the regional and central bureaux to monitor and address the inconsistencies in vendor data and vendor bank information through the use of existing queries. To address part (c) of the recommendation, UNDP will ensure that a due diligence review is carried out on accounts shared by multiple vendors.

144. **In paragraph 97, the Board recommended that UNDP: (a) review time anomalies in the procurement dashboard and update it so as to ensure greater accuracy, completeness and reliability of its information; (b) input reasonable delivery due dates during requisition; and (c) enhance follow-up with vendors to ensure that goods or services are delivered within the scheduled period and appropriate measures are taken against non-performing vendors, including enforcement of penalties under the contracts.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

145. With regard to part (a) of the recommendation, UNDP will, through a system solution, review the feasibility of addressing the anomalies that arise from the dashboard as a result of the selection of only one of several line items. Regarding part (b) of the recommendation, UNDP is exploring the feasibility of a system solution by having delivery data updated to reflect more realistic contractual terms at the point of preparing the purchase order. Concerning part (c) of the recommendation, UNDP will request regional bureaux to follow up with offices that report significant delays in delivery to take appropriate measures with vendors in line with contractual terms.

146. **In paragraph 101, the Board recommended that UNDP strengthen reviews and monitoring of the purchase orders and accounts payable to ensure that: (a) expenses recorded in the general ledger, commitment control and projects are accurate, complete and recorded in the correct accounting period; and (b) pending transactions (i.e. purchase orders, vouchers and general ledger journal entries with an accounting date on or before the last day of the month being closed) are cleared in accordance with year-end closure instructions.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

147. UNDP will continue to strengthen its review and monitoring of exceptions through the dashboard and other corporate tools.

148. **In paragraph 107, the Board recommended that UNDP ensure that future service contract evaluations are completed on time, ideally one month prior to a contract's expiration, pursuant to policy, so as to provide offices with a reasonable amount of time for decision-making.**

Departments responsible:	Office of Human Resources, Central Bureaux and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

149. UNDP will remind offices to complete service evaluations one month prior to the expiry of contracts.

150. **In paragraph 111, the Board recommended that UNDP consider updating and enforcing the human resources policy to restrict the number of years during which a person can serve under a service contract, after which time a post should be established and filled by a person on a fixed-term appointment.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

151. UNDP will look into the matter of restricting the time of service under service contracts and the effects it will have on programme delivery, and make a decision accordingly.

152. **In paragraph 116, the Board recommended that UNDP ensure that all staff members complete mandatory training courses on time.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

153. UNDP will develop an automatic quarterly reporting tool to allow its headquarters and regional bureaux to monitor the completion of mandatory courses.

154. **In paragraph 120, UNDP agreed with the Board's recommendation that it introduce a schedule that ensures easy reconciliation of the differences in respect of individual assets additions between the note in the financial statements on property, plant and equipment, and the in-service report.**

Departments responsible:	Office of Sourcing and Operations and Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

155. UNDP will introduce a schedule to reconcile the individual lines in the note in the financial statements on property, plant and equipment to the in-service report in the next preparation of the note on property, plant and equipment.

156. **In paragraph 126, UNDP agreed with the Board's recommendation that it update in a timely manner the contents of the Programme and Operations Policies and Procedures on inventory management and all related guidance notes so as to accommodate and harmonize changes pursuant to UNDP requirements before country offices start implementation of those changes.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

157. UNDP has already updated the Programme and Operations Policies and Procedures and will continue to send instructions to country offices on any changes to be implemented.

158. **In paragraph 130, the Board recommended UNDP strengthen control over ICT governance to ensure that ICT projects are prioritized and funded, especially those whose aim is to mitigate high risks.**

Department responsible:	Office of Information Management and Technology
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

159. UNDP has strengthened control over ICT governance and the cloud security gateway project has been funded. Management is requesting closure on this recommendation and is awaiting the assessment of the Board.

160. **In paragraph 133, the Board recommended that the Bangladesh country office: (a) use the existing head of unit group as an ICT governance group to approve the ICT plan and budget, and monitor budget implementation and vendor performance, as well as ensure compliance with information security policy; and (b) establish formal documented procedures for access control, change control, media handling and monitoring of information systems, pursuant to the UNDP information security policy.**

Department responsible:	Regional Bureau for Asia and the Pacific
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

161. Concerning part (a) of the recommendation, the UNDP Bangladesh country office will prioritize and approve the ICT plan. The office will budget and monitor implementation and performance. Regarding part (b) of the recommendation, the office will document access control, change control, media handling and monitoring of information systems through the elaboration of standard operating procedures.

162. **In paragraph 137, the Board recommended that the Bangladesh and Montenegro country offices improve the ICT monitoring mechanism to ensure that third-party service providers of ICT-related services maintain security plans.**

Department responsible:	Regional Bureau for Asia and the Pacific
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

163. UNDP's Bangladesh and Montenegro country offices have signed agreements with ICT service providers, in which the existence of security plans, implementation and testing are mandatory.

164. **In paragraph 140, the Board recommended country offices consider conducting periodic maintenance of ICT equipment in use even if it is aged.**

Department responsible:	Regional Bureau for Europe and Commonwealth of Independent States
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

165. The Republic of Moldova country office will continue periodic maintenance of aged ICT equipment and will document such maintenance.

166. **In paragraph 143, the Board recommended that the Bangladesh country office: (a) conduct a full disaster recovery plan test involving all contact persons and communications procedures, and document the test results; (b) consider identifying a recovery site in a location that is not subjected to the same natural disaster as the data centre; and (c) install a fire suppression system and smoke detectors at the recovery site.**

Department responsible:	Regional Bureau for Asia and the Pacific
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

167. With regard to part (a) of the recommendation, a full disaster recovery plan test will be conducted by the third quarter of 2017, involving all relevant persons and procedures. The result will be well documented. In order to address part (b) of the recommendation, the country office will make an effort to find out if an offshore backup solution is feasible. Regarding part (c) of the recommendation, installation of a fire suppression and smoke detection system is under way. Security staff remain on duty at the site seven days a week, 24 hours a day.

168. **In paragraph 148, UNDP agreed with the Board's recommendations that it: (a) specify the recovery time objective for the domain name system and the active directory accounts in the service delivery agreement; (b) consider amending the service delivery agreement with the International Computing Centre for the hosting of the SharePoint application to include agreed durations for recovery point and recovery time objectives; (c) ensure, under the service delivery agreement, that, even with the growing database volume, the International Computing Centre continues to meet the recovery point and recovery time objectives as specified by UNDP; and (d) specify the duration for recovery point and recovery time objectives for the mail hub, Lyris ListManager and SwiftClient applications.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

169. Concerning part (a) of the recommendation, UNDP will specify the recovery time objective for the domain name system and for active directory accounts. With regard to part (b) of the recommendation, UNDP will work with the International Computing Centre to include existing recovery point and recovery time objectives for the SharePoint hosting service directly in the service delivery agreement with the International Computing Centre. Regarding part (c) of the recommendation, UNDP will ensure that the International Computing Centre continues to meet the recovery point and recovery time objectives it has specified. To address part (d) of the recommendation, UNDP will specify the recovery point and recovery time objectives for the mail hub, Lyris ListManager and SwiftClient applications.

170. **In paragraph 154, UNDP agreed with the Board's recommendation that it: (a) review all disaster recovery plans, keep track of versions and update names of staff responsible for disaster recovery plans; (b) consider budgeting for testing the disaster recovery plans; (c) test the disaster recovery plans and document the tests conducted for untested applications; and (d) include disaster recovery plans tests and reviews as activities under the workplans of all sections of the Office of Information Management and Technology that manage critical applications.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

171. Regarding part (a) of the recommendation, UNDP will incorporate recent organizational changes into the disaster recovery plans and will also indicate review dates explicitly in the disaster recovery plans. For part (b) of the recommendation, UNDP will consider a dedicated budget to fund the testing of disaster recovery plans. Regarding part (c) of the recommendation, UNDP will conduct and document disaster recovery plan tests for each previously untested critical system. Concerning part (d) of the recommendation, UNDP will include disaster recovery plan tests and reviews in the workplans of all sections of the Office of Information Management and Technology that manage critical systems.

172. **In paragraph 158, UNDP agreed with the Board's recommendation that it conduct orientation training for business continuity plan focal points.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

173. UNDP will conduct training for the business continuity plan focal points on business continuity planning and business impact analysis.

174. **In paragraph 164, UNDP agreed with the Board's recommendation that it enhance performance of control activities in quality assurance for ICT projects to ensure that: (a) projects comply with quality assurance standards at all stages by having proper project plans, project initiation documents and business case documents; (b) projects are not initiated without appointing a quality assessor; (c) a quality approver is appointed for each project to ensure accountability of**

assessor; and (d) a quality assurance checklist is developed at each stage of the project, especially initiation and closure; and that the checklist is completed and approved before the project advances to the next stage.

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

175. Regarding part (a) of the recommendation, UNDP will comply with the quality assurance standards by ensuring that proper documentation is in place for all investment projects. Concerning part (b) of the recommendation, UNDP will designate a quality assurance assessor for each project. To address part (c) of the recommendation, UNDP will appoint at least one quality approver to ensure the credibility of the quality assessments. With regard to part (d) of the recommendation, UNDP will prepare a quality assurance assessment checklist to be completed before a project moves to the next stage.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

176. In annex I to its report for the financial period ended 31 December 2016 (A/72/5/Add.1, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. In this section, information is provided on the 10 recommendations listed as outstanding from prior periods. The information is set out below in the order in which the recommendations are presented in the annex.

177. The overall situation as at August 2017 is summarized in table 9 below.

Table 9
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Multi-Partner Trust Fund Office	1	–	–	1	1	–
Office of Information Management and Technology	1	–	–	1	1	–
Multiple offices	6	–	1	5	5	–
Regional bureaux	2	–	1	1	1	–
Total	**10**	**–**	**2**	**8**	**8**	**–**

Report of the Board for the year ended 31 December 2015[10]

178. **In paragraph 35, UNDP agreed with the Board's recommendation that it ensure that operating units: (a) prepare accounts payable vouchers before the deadline, as stipulated in the year-end closure instructions, so as to liquidate**

[10] A/71/5/Add.1, chap. II.

corresponding aged prepayments; and (b) regularly monitor and perform prepayment spot checks so as to verify and clear aged prepayments in a timely manner.

Departments responsible:	Office of Financial Resources Management and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

179. With regard to part (a) of the recommendation, UNDP operating units will continue to prepare accounts payable vouchers before deadlines. Accounts payable vouchers that clear prepaid amounts can only be raised when the goods are received, and this issue has been closely monitored through the certification process. Regarding part (b) of the recommendation, UNDP will continue to closely monitor all prepayments, regardless of their age. Many prepayments relate to goods with long lead times.

180. **In paragraph 41, UNDP agreed with the Board's recommendation that: (a) in future, UNDP plan ahead regarding the changes needed in project settings, such as the rates of general management support fees, to minimize delays in signing quarterly combined delivery reports; (b) it submit the combined delivery reports in a timely manner, duly signed by UNDP and implementing partners in compliance with the Programme and Operations Policies and Procedures; and (c) it liaise with implementing partners on their accountability regarding the timely signing of combined delivery reports when delays are encountered.**

Departments responsible:	Office of Financial Resources Management and Executive Office
Status:	Closure requested
Priority:	High
Target date:	Not acceptable

181. With regard to parts (a) and (b) of the recommendation, the Multi-Partner Trust Fund Office has invested a substantial amount of resources in improving the rates of project and fund closures, with a high degree of success. The Multi-Partner Trust Fund Office was able to close 279 projects in 2016 and an additional 37 through the first quarter of 2017. Regarding part (c) of the recommendation, the Multi-Partner Trust Fund Office has provided a detailed presentation on financial closure issues, including proposing the idea of addressing common reporting issues to the Fiduciary Management Oversight Group in December 2016.

182. **In paragraph 72, UNDP agreed with the Board's recommendations that it: (a) enhance and document the follow-up mechanisms, including feedback from all delayed participating organizations for future improvements; (b) introduce measures to accelerate the operational and financial closure of all overdue projects; and (c) propose, as the largest United Nations fund administration service provider, the idea of common policies and procedures for inter-agency pooled funding mechanisms to harmonize practices so as to enhance accuracy in reporting and the timing of issuing reports.**

Department responsible:	Multi-Partner Trust Fund Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

183. Concerning part (a) of the recommendation, UNDP will continue to plan for changes in project settings to minimize delays in signing combined delivery reports. In 2016, the posting of the first quarter general management support fees was delayed until May because of changes, but subsequent postings were done in a timely manner and the targeted closure dates were met. With regard to part (b) of the recommendation, UNDP has ensured that signed combined delivery reports have been submitted in a timely manner. Regarding part (c) of the recommendation, UNDP is ensuring that any delays in the submission of combined delivery reports are addressed. According to the agreed management action, a combined delivery report repository was launched for country offices to upload signed combined delivery reports and a reminder message was sent out. Management is requesting closure of this recommendation and is awaiting the Board's assessment.

184. **In paragraph 82, UNDP also agreed with the Board's recommendation that the resident coordinator ensure: (a) that the Uganda country office liaise with other United Nations entities and initiate the process of conducting macroassessments at least once during the country office programme cycle; and (b) that the Uganda and Sierra Leone country offices incorporate the macroassessment, where available, in the United Nations Assistance Framework reviews.**

Department responsible:	Multi-Partner Trust Fund Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

185. Regarding part (a) of the recommendation, macroassessments have been carried out for the Uganda and Sierra Leone country offices. On part (b) of the recommendation, the current United Nations Assistance Framework reports have incorporated elements of the macroassessments. UNDP requests closure of this recommendation.

186. **In paragraph 91, UNDP agreed with the Board's recommendation that it: (a) strengthen controls in reviewing the harmonized approach to cash transfers microassessment plans for completeness and accuracy; (b) prioritize the microassessment activities for implementing partners, based on the assessment plan; and (c) monitor implementation and conduct an annual update of the assessment plan.**

Departments responsible:	Office of Financial Resources Management and Regional Bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

187. With regard to part (a) of the recommendation, the regional bureaux have reviewed the harmonized approach to cash transfers microassessment plans and training was rolled out as agreed. Regarding parts (b) and (c) of the recommendation, the regional bureaux have also prioritized activities and are monitoring the implementation through the harmonized approach to the cash transfers dashboard.

188. **In paragraph 98, UNDP agreed with the Board's recommendation that it ensure that country offices: (a) prepare a complete set of the harmonized approach to cash transfers assurance activities plans in line with the harmonized approach template and include all of the required information; (b) conduct all assurance activities as planned; and (c) monitor and improve annual assurance plans based on the lessons learned from the harmonized approach transitional assurance activity plans of 30 April 2015.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

189. The regional bureaux are monitoring the preparation and implementation of assurance activity plans and are expected to update the recently launched corporate dashboard that monitors the spot checks carried out for implementing partners.

190. **In paragraph 133, UNDP agreed with the Board's recommendation that it: (a) perform regular vendor data checks to maintain accurate and up-to-date data, including through removal of duplicate active vendors; (b) ensure the regular review and correction of vendors' bank information to prevent duplicates; and (c) review transactions processed in bank accounts shared by multiple vendors to correct inappropriate transactions.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

191. UNDP country offices have commenced a clean-up of vendors. A SharePoint list has been shared with the regional bureaux. The regular review and correction of vendor bank data and transactions is ongoing.

192. **In paragraph 138, UNDP agreed with the Board's recommendation that it: (a) provide regular updates on the non-Atlas procurement indicators for greater accuracy, completeness and reliability of information; (b) ensure that requestors at country offices input reasonable delivery due dates in the e-requisition in such a way as to reduce the workload for data clean-up of delivery dates for "red-rated" purchase orders in the IPSAS dashboard; and (c) enhance follow-up with vendors so that goods or services are delivered within the scheduled period.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

193. Regarding part (a) of the recommendation, the Advisory Committee on Procurement online data is now integrated into the procurement dashboard. Regarding parts (b) and (c) of the recommendation, a message has been sent to remind country offices to input the correct delivery dates and continually monitor supplier performance.

194. **In paragraph 173, UNDP agreed with the Board's recommendation that it: (a) implement a backup plan for Internet access for its three offices using the service of the data centre; (b) clear unused items in the data centre and label and keep cables in order; (c) use a dry pipe fire suppression system in the data centre and (d) review physical access rights to the data centre in each quarter and report thereon to the Information Security Section management meetings.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

195. Concerning part (a) of the recommendation, UNDP has achieved fully redundant communication with its offices in the Daily News Building through a cooperative agreement with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) to provide redundant network connectivity in that location. Plans for the other buildings are in progress. The Office of Information Management and Technology has submitted technical requirements to the Central Procurement Unit to issue an invitation to bid for Internet access in other buildings. Regarding part (b) of the recommendation the data centre footprint reduction project was successfully completed. On part (c) of the recommendation, the Office of Information Management and Technology is aggressively reducing the dependency of headquarters on the data centre by migrating more critical applications from the data centre to external hosting facilities. With regard to part (d) of the recommendation, the Office of Information Management and Technology produces a quarterly physical access list, which is shared at the Information Security Management meetings. In addition, the Office of Information Management and Technology has purchased and installed **four Netcam video surveillance cameras and is performing quarterly access audits**.

196. **In paragraph 177, UNDP agreed with the Board's recommendation that it: (a) analyse all assets disposed of in error and consider the impact in the prior year's financial statements; (b) ensure that operating units regularly perform reviews to identify errors and send requests to the Global Shared Service Centre in a timely manner for reversing the capitalization of projects made in Atlas; (c) ensure that approving managers verify that all items are appropriately selected in the procurement catalogue; and (d) consider improving assets data in Atlas so that actual assets retired in error can be easily differentiated from assets under construction converted into leasehold improvements.**

Departments responsible:	Office of Sourcing and Operations and Global Shared Services Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

197. With regard to parts (a) and (b) of the recommendation, all operating units have been informed that they must regularly review their asset information and submit requests to the Global Shared Services Unit for corrections in a timely manner. Regarding part (c) of the recommendation, the operating units were also reminded that approving managers should verify the use of the appropriate catalogue for the procurement of UNDP assets. In order to address part (d) of the recommendation, a new disposal transaction code has been introduced to distinguish the recategorization of assets under construction converted into leasehold from genuine assets retired in error.

V. United Nations Capital Development Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[11]

198. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 10 and 11 below.

Table 10
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Local development practice area	1	–	1	1	–
Management Support Unit	1	–	1	1	–
Total	**2**		**2**	**2**	

Table 11
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Financial inclusion practice area	2	1	1	1	–
Local development practice area	1	–	1	1	–
Management Support Unit	3	–	3	3	–
Multiple offices	2	–	2	2	–
Total	**8**	**1**	**7**	**7**	**–**

[11] A/72/5/Add.2, chap. II.

199. **In paragraph 21, the Board recommended that UNCDF ensure that the necessary controls were in place so that, in future, joint project documents are signed before the project starts.**

Department responsible:	Financial inclusion practice area
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

200. This recommendation has been implemented, supporting documentation has been shared with the Board and closure of the recommendation has been requested.

201. **In paragraph 24, UNCDF agreed with the Board's recommendation that it ensure that an annual workplan is prepared and approved in a timely manner for the project on support for the development and implementation of the value-chains programme in Rwanda.**

Department responsible:	Local development practice area
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

202. UNCDF will ensure that annual workplans are prepared and approved in a timely manner.

203. **In paragraph 28, the Board recommended that UNCDF ensure that the country office in Rwanda expedite the finalization of the Rwanda financial inclusion programme document and put it to use so that more resources are mobilized and projects are implemented as expected.**

Department responsible:	Financial inclusion practice area
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

204. UNCDF Rwanda is working to finalize the financial inclusion programme document, which will reflect a realistic resource mobilization target based on the best judgment of the current prospects.

205. **In paragraph 33, UNCDF agreed with the Board's recommendation that it ensure that the risk, issue and monitoring logs for all projects in the Rwanda and Bangladesh country offices are activated in Atlas in a timely manner as the primary source of project information.**

Departments responsible:	Local development practice area, financial inclusion practice area and Programme Management Support Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

206. UNCDF will ensure compliance in updating the referenced information in Atlas.

207. **In paragraph 48, the Board recommended that UNCDF develop leave plans and amend them periodically to reflect changes, and that it identify and address the reasons for the increasing number of untaken leave days to ensure proper management of staff in line with the requirements of the Programme and Operations Policies and Procedures on staff leave.**

Departments responsible:	Local development practice area, financial inclusion practice area and Programme Management Support Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

208. UNCDF continues to encourage staff to take their leave days within the period in which they are earned and to ensure that leave plans at the unit level are in place.

209. **In paragraph 53, the Board recommended that UNCDF ensure that all staff members complete mandatory training courses on time.**

Department responsible:	Management Support Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

210. UNCDF will continue with its efforts to achieve full completion of the mandatory courses.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

211. In annex I to its report for the year ended 31 December 2016 (A/72/5/Add.2, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. In this section, information is provided on the three recommendations listed as outstanding from prior periods. The information is set out below in the order in which the recommendations are presented in the annex.

Table 12
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the financial period ended 31 December 2016

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Directorate	1	–	1	1	–
Financial inclusion practice area	2	–	2	2	–
Total	**3**	**–**	**3**	**3**	**–**

Report of the Board for the year ended 31 December 2014[12]

212. **In paragraph 50, UNCDF agreed with the Board's recommendation that it perform analysis: (a) to substantiate the reserve amount in terms of percentage and to establish its reserve in line with the risk mitigation strategy or framework component; and (b) to establish the method for the calculation of reserves to mitigate risks associated with cost-sharing and trust funds with respect to expenditure-related risks, structural risks and liability risks, and submit its analysis to the Executive Board for approval.**

Department responsible: Directorate

Status: In progress

Priority: High

Target date: Four quarter of 2017

213. UNCDF substantiated the reserve amount in terms of percentage and established a method for the calculation of reserves that is pending approval from the Executive Board.

Report of the Board for the year ended 31 December 2015[13]

214. **In paragraph 23, UNCDF agreed with the Board's recommendation that it: (a) speed up the transfer of project assets and certify final combined delivery reports; and (b) complete refunds to donors in a timely manner so that projects are financially closed within 12 months after being operationally closed.**

Department responsible: Financial inclusion practice area

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

215. UNCDF will expedite the transfer of the project assets and finalize all required activities to close the projects in line with the Programme and Operations Policies and Procedures.

[12] A/70/5/Add.2, chap. II.
[13] A/71/5/Add.2, chap. II.

216. **In paragraph 49, UNCDF agreed with the Board's recommendation that it: (a) conduct due diligence of long-outstanding loans and maintain proper evidence to support action taken on the loans, including the write-off of loans whose recoverability is uncertain; and (b) ensure that the impairment allowance for the loans is reviewed each year to ascertain its relevance, supported by proper evidence of the approach used.**

Department responsible:	Financial inclusion practice area
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

217. UNCDF will: (a) carry out and document a review of loan recoverability and provide for impairment, where necessary; and (b) carry out a due diligence and write-off process in cases where there is adequate evidence that the possibility of recovery is remote.

VI. United Nations Children's Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[14]

218. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 13 and 14 below.

Table 13
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or overtaken by events*	*In progress*	*Target date set*	*No target date*
Division of Data, Research and Policy	1	–	–	1	1	–
Division of Financial and Administrative Management	1	–	–	1	1	–
Global Shared Services Centre	1	–	1	–	–	–
Private Fundraising and Partnerships Division	1	–	1	–	–	–
Programme Division	1	–	–	1	1	–
Supply Division	2	–	–	2	2	–
Total	7	–	2	5	5	–

[14] A/72/5/Add.3, chap. II.

Table 14
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or overtaken by events*	*In progress*	*Target date set*	*No target date*
Division of Data, Research and Policy	2	–	–	2	2	–
Division of Financial and Administrative Management	13	1	–	12	12	–
Field Results Group	2	–	1	1	1	–
Global Shared Services Centre	1	–	1	–	–	–
Office of Internal Audit and Investigations	3	–	1	2	2	–
Private Fundraising and Partnerships Division	7	–	6	1	1	–
Programme Division	2	–	–	2	2	–
Supply Division	6	–		6	6	–
Total	**36**	**1**	**9**	**26**	**26**	**–**

219. **In paragraph 16, the Board recommended that the United Nations Children's Fund (UNICEF) consider disclosing the nature and type of in-kind services received.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: First quarter of 2018

220. UNICEF is making arrangements to disclose the nature and type of in-kind services in its 2017 financial statements.

221. **In paragraph 25, the Board recommended that UNICEF implement the guideline on identifying the operational costs that should be met from the programme budget and from the institutional budget.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

222. As part of its 2018-2021 integrated budget planning process, UNICEF ensured that appropriate assumptions were applied with regard to office structures and funding sources. The criteria for the review were based on agreed upon guidance, as approved by executive management. This is the first step towards a more comprehensive process of continuous review and consideration of post levels and structures to ensure that UNICEF has a coherent funding typology. The guideline will be implemented in coordination with the start of the UNICEF strategic plan,

2018-2021, and structures will continue to be reviewed in accordance with it. The mid-term review exercise of the strategic plan 2018-2021 will provide the opportunity to further refine the operations typology on a country-by-country basis.

223. **In paragraph 31, the Board recommended that UNICEF: (a) continue to provide necessary technical guidance and operational support to the National Committees so that all the National Committees implement joint strategic plans aligned with the UNICEF strategic plan, 2018-2021; and (b) enhance its governance to achieve the targets of private sector fundraising.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

224. Each National Committee has a joint strategic plan which is revised annually. This is a major process of engagement between UNICEF and the National Committees and is designed to enhance the alignment of such joint strategic plans with the UNICEF strategic plan and the achievement of its targets. The reduction in targets noted by the Board reflects the sound management practice of updating projections for what is realistic, given information received throughout the year. This has allowed UNICEF to be able to adjust projected spending at the organizational level in instances where revenue forecasts differed significantly from original projections. UNICEF considers this recommendation to be fully implemented.

225. **In paragraph 36, the Board recommended that UNICEF engage with the National Committees and follow up with them to achieve the desired contribution rate of 75 per cent of gross proceeds set in the cooperation agreement for the National Committees.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

226. UNICEF closely monitors the contribution rate of every National Committee and strongly encourages each of them to meet the target contribution rate of 75 per cent of gross proceeds. However, some National Committees have not yet achieved this target rate due to challenges in fundraising in their countries. In such cases, UNICEF and the National Committees have agreed on road maps to improve contribution rates, which, for some, go beyond the UNICEF strategic plan period. UNICEF considers this recommendation to be fully implemented.

227. **In paragraph 41, the Board recommended that UNICEF enhance the strategic engagement with the National Committees to ensure: (a) disclosure of all related entities by the National Committees; and (b) the inclusion of targets and key performance indicators for activities of related entities in the joint strategic plans separately.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

228. UNICEF introduced the additional disclosure requirements and incorporated them in the joint strategic plan templates for 2018-2021 as a separate annex, inclusive of targets and key performance indicators of related entities.

229. **In paragraph 46, the Board recommended that UNICEF ensure that the private sector fundraising strategic plans of Brazil, Mexico, Peru and the Bolivarian Republic of Venezuela are finalized and aligned with the Private Fundraising and Partnerships Strategic Plan.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

230. The private sector fundraising strategic plans of Brazil, Mexico, Peru and the Bolivarian Republic of Venezuela were all approved as of August 2017.

231. **In paragraph 52, the Board recommended that UNICEF put in place a mechanism for the quarterly reporting of regular resources and other resources-regular revenue collection separately in order to strengthen monitoring and allow for the taking of timely corrective action.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

232. In order to improve monitoring of contributions from National Committees, UNICEF has introduced an additional reporting requirement for them. The National Committees had been providing two forecast updates, but in 2017 UNICEF introduced a requirement calling for a third update. UNICEF also collects gross revenue information on a quarterly basis. UNICEF considers this recommendation to be fully implemented.

233. **In paragraph 57, the Board recommended that UNICEF reconcile the different targets fixed in the strategic plan, 2018-2021, the budget and the joint strategic plans and proactively monitor the revenue generation by the different income channels.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

234. UNICEF is developing a guidance note to reconcile the targets fixed in the various documents within the context of prioritizing the private sector income streams.

235. **In paragraph 62, the Board recommended that UNICEF formulate an appropriate mechanism to enhance the level of contributions from potential income channels, such as corporate donors. The strategy needs to be finalized before implementation of the next private fundraising and partnerships plan.**

Department responsible:	Private Fundraising and Partnerships Division
Status:	Overtaken by events
Priority:	High
Target date:	Not applicable

236. The development process for the new private fundraising and partnerships plan for 2018-2021 included assessments of the potential of various fundraising channels. One of the conclusions was to redirect engagement with corporate entities to optimize non-financial and financial partnerships. Consequently, the corporate donor channel was not considered as a priority if viewed from a fundraising perspective only, and this was reflected in the new private fundraising and partnerships plan. A mechanism to enhance contributions from corporate donors is therefore no longer relevant as the strategy has changed.

237. **In paragraph 68, the Board recommended that UNICEF strengthen its implementation of the harmonized approach to cash transfers to achieve the targets.**

Department responsible:	Field Results Group
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

238. The harmonized approach to cash transfers has been implemented in all country offices that transfer cash to implementing partners. Robust reporting mechanisms are in place for country offices, regional offices and headquarters to monitor the level of implementation and to identify areas of weaknesses. The policy and procedure manual on the harmonized approach has been issued, with various supporting guidelines and system tools to assist country offices in effectively implementing it. UNICEF has met and exceeded the policy indicator targets with regard to the harmonized approach that are set at a global level. For the first six month of 2017, UNICEF achieved 107 per cent of the minimum required programmatic visits and 65 per cent of the financial assurance requirements, and it is on track to achieving the policy targets. Additionally, in cases where individual

country offices are unable to meet the standard performance indicators, risk mitigating measures are put in place to address the country specific context.

239. **In paragraph 74, the Board recommended that UNICEF expedite the cost benefit analysis of the harmonized approach to cash transfers framework.**

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

240. UNICEF is in the process of commissioning an evaluation to assess the 2014-2017 investment in the harmonized approach, including a cost-benefit analysis. The Evaluation Office will provide technical support to the Field Results Group, as requested.

241. **In paragraph 84, the Board recommended that, in order to mitigate the risk of disputes or improper payments to alternate payees, UNICEF develop a suitable mechanism in which the implementing partner's authorization of an alternate payee is clearly recorded.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

242. The risk of improper payments is minimized through the segregation of duties. Country office staff select the payee in the VISION system, but they can only select those payees that have been added to the vendor master file by the staff of the Global Shared Services Centre. To further strengthen the existing controls, UNICEF is preparing a procedure regarding alternative and permitted payees to implementing partners so as to clearly detail the requirements for alternative payee updates on vendor master files and requirements for documenting authorization by implementing partners.

243. **In paragraph 90, the Board recommended that UNICEF ensure investments only in those counterparties that meet the approved standards in accordance the investment policy.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

244. The UNICEF policy allows for investments in counterparts other than those that meet the standards approved in the investments policy if approval is obtained from the Financial Advisory Committee, which was the case with the investments that were noted by the Board. Moody's has two investment categories: "investment

grade" and "non-investment grade". Ratings AAA to Baa3 are considered "investment grade" by Moody's. The UNICEF policy recommends investing in "A" rated or better instruments. UNICEF confirms that it had not invested the maximum permissible percentage in the "A" rated or higher as the yields being offered at the time were extremely low and unattractive. The incremental risk associated with the Baa investments was minimal for the improved returns, which were reflective of the interest rate environment at the time of the investments. This matter was presented to the Financial Advisory Committee, which discussed and approved the option of investing in Baa3/P2 rated counterparties with a limited tenure of up to 95 days, as this yielded a positive rate of return with what the Committee deemed was limited risk. UNICEF also confirms that all of the financial counterparties and debt issuers of investments purchased by UNICEF are reviewed and their creditworthiness and limits approved by the Financial Advisory Committee prior to undertaking any financial activities and/or commitment of investments, including the Baa counterparties in question. UNICEF is revising its investment policy to clear any ambiguity on allowable securities.

245. **In paragraph 95, the Board recommended that, in order to meet the challenges posed by intrinsic and extrinsic factors, UNICEF ensure that a risk assessment and risk reporting exercise is carried out by the applicable offices at least once every year.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

246. The current procedure on self-assessments is being revised. Training materials have been developed and will be delivered to facilitate the quality and regularity of risk assessments.

247. **In paragraph 99, the Board recommended that UNICEF ensure that the proposed new enterprise risk management policy is appropriately crafted to incorporate the organization's functional requirements and, at the same time, to ensure that incongruities are avoided.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

248. The current regulatory content of the enterprise risk management policy has been redrafted and it is expected that it will be published shortly.

249. **In paragraph 103, the Board recommended that UNICEF ensure that risk liaisons [focal points for risk management] are formally selected and that the database in respect of risk liaisons is invariably updated.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

250. The risk liaisons database will be updated after the publication of the new risk procedure.

251. **In paragraph 105, the Board recommended that, in addition to continuing with the good practice of providing ad hoc support from headquarters, there should be a formal regular training programme for risk-liaison personnel on risk management.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

252. Training materials for risk liaison personnel have already been developed and will be completed and delivered by the end of 2017.

253. **In paragraph 111, the Board recommended that UNICEF ensure the formulation of risk tolerance and risk appetite at appropriate operational levels.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

254. UNICEF will articulate a risk tolerance and risk appetite statement at the organizational level.

255. **In paragraph 119, the Board recommended that UNICEF review the existing mechanism of stock-keeping and establish minimum and maximum stock levels for emergency and non-emergency items.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

256. UNICEF agreed to establish minimum stock levels for standard stock items, including emergency supplies that are managed by the Supply Division. UNICEF does not, however, agree with the recommendation that it establish maximum stock

levels as such levels are not realistic given the number of factors that must be considered, including fluctuations in demand, the nature of humanitarian responses, the consolidation of shipments, kit-packing operations and minimum order quantities. The risk of blocking funds in inventory, as noted by the Board, is actually mitigated by the forecasting methodologies the organization has in place. With regard to space effectiveness, UNICEF has a modern warehouse in Copenhagen that maximizes space efficiency, and it continues to manage warehouse space effectively by executing a robust inventory management process.

257. **In paragraph 125, the Board recommended that UNICEF ensure periodic review of vendor master records and remove all inconsistencies.**

Department responsible:	Global Shared Services Centre
Status:	Implemented
Priority:	High
Target date:	Not applicable

258. As stated in the report, vendor maintenance was centralized at the Global Shared Services Centre. UNICEF also informed the Board that during the second quarter of 2017, the Centre removed over 38,000 inactive records from the master data management records and a further 1,500 duplicates. Thereafter, each new record processed at the Centre was checked for possible duplicates according to the standard operating procedures that are in place. The Centre performs annual data clean-up and archiving exercises, which further remove the risk of duplicate records, as well as long-term inactive vendors.

259. **In paragraph 132, the Board recommended that UNICEF record the reasons for deviation of the Supply Manual guidelines for availing long-term agreement in VISION.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

260. The Supply Division will issue instructions to procurement staff in order to ensure that any purchase orders issued outside of an existing long-term agreement for a particular good or service includes proper written justification in VISION.

261. **In paragraph 133, the Board further recommended that UNICEF develop the long-term agreement management system, including constant monitoring of its expiry, timely renewal and entering the agreement, with better prices for regularly purchased items.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

262. The Supply Division will provide instructions and tools to procurement staff in order to improve the management of long-term agreements. This will strengthen the existing monitoring system, improve reporting and enhance the timely renewal of long-term agreements. The Supply Division will also streamline the tools used in the tender planning process and provide further instructions on the establishment of long-term agreements for frequently procured items, as appropriate.

263. **In paragraph 138, the Board recommended that UNICEF country offices ensure that exemptions on taxes, levies, tolls or duties on supplies and equipment are made use of, as provided under cooperation agreements with the host countries.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

264. UNICEF will instruct country offices to ensure that all exemptions are made use of, in line with cooperation agreements and will also require country offices to confirm this on an annual basis. The first annual confirmation will be for 2017.

265. **In paragraph 159, the Board recommended that UNICEF review cases where there has been delay and take appropriate action as per terms and conditions of contract to improve timely delivery.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

266. UNICEF will strengthen the existing procedures to include additional guidance on how to take appropriate action on the remedies provided in the contracts with suppliers, where applicable.

267. **In paragraph 170, the Board recommended that UNICEF ensure the timely receipt of vaccine arrival reports.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

268. The Supply Division completed a review of the Supply Manual in addition to a review of the policy in guidelines of the World Health Organization on the international packaging and shipping of vaccines so as to ensure consistent advice with regard to the timely submission of vaccine arrival reports to UNICEF country offices. In June 2017 guidance was published based on the policy review.

269. UNICEF will also establish a key performance indicator to monitor the achievement of the timely receipt of vaccine arrival reports, with the goal of receiving at least 80 per cent of the reports within 3 days. This indicator will be used to inform country offices on their performance in the achievement of the timely receipt of the reports and will also be used develop mitigation strategies, where needed, to improve performance.

270. **In paragraph 184, the Board recommended that UNICEF identify the reasons for the detention of containers for long periods and provide guidance to the country and regional offices to reduce the time containers are detained.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Third quarter of 2018

271. The Supply Division will review the factors contributing to the detention of containers for long periods and conduct a root-cause analysis that is planned to be completed by May 2018. The Division will further update the Supply Manual to guide country offices in mitigating root causes of demurrage.

272. **In paragraph 193, the Board recommended that UNICEF generate and circulate division-wise month-end reports on open travel authorizations to create a monitoring mechanism to minimize delays in trip closures.**

Department responsible:	Division of Financial and Administrative Management
Status:	Not accepted
Priority:	Medium
Target date:	Not acceptable

273. While UNICEF agrees that delays in trip closures should be minimized, it disagrees with the recommendation to produce and distribute individual reports to some 150 offices because of the high transaction costs involved. Trip closure information is already included UNICEF's management dashboards. Furthermore, UNICEF has implemented improvements, as reflected in paragraph 190 of the Board's report. UNICEF expects these changes will result in a significant reduction in the delays in trip closures, and it will monitor the effect of these improvements and assess whether additional measures are required.

274. **In paragraph 196, the Board reiterated its recommendation made in paragraph 172 of its previous report (A/71/5/Add.3) that UNICEF review the applicability of its policy on advance booking globally in view of the changes in the travel business and revise the strategies accordingly.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

275. UNICEF completed data reviews of the North American market, which indicated significant reductions in the unit cost for travel booked closer to the date of departure rather than the 21 days in the current procedure. UNICEF will expand the study globally, focusing on its larger travel markets, which could result in adjusting the travel programme strategy and procedures.

276. **In paragraph 199, the Board recommended that UNICEF put in place a system check for exploring alternatives to travel by way of using technology before authorizing travel.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

277. UNICEF will implement a system requiring confirmation from managers that travellers have explored other alternatives to travel, such as using Skype for business, prior to authorizing any travel.

278. **In paragraph 208, the Board recommended that UNICEF continue to collect data from all the country offices that are implementing infant and young child feeding program and ensure the completeness of the data for all the parameters.**

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

279. UNICEF will continue to collect data from country offices; however, for reasons beyond its control, it cannot ensure the completeness of data for all the parameters. Data collection will be implemented through further improvements in NutriDash (the nutrition dashboard), which collects data about nutrition programmes on an annual basis. With regard to ensuring the completeness of the data for all parameters, it is important to note that programme data collected by NutriDash is from routine information systems, such as health management information systems. Considering this, UNICEF notes that data is not available for all parameters, and that it will keep investing in the improvement of nutrition information systems.

280. **In paragraph 213, the Board recommended that UNICEF regularly monitor the progress of programme implementation by country and extend support to country offices based on the progress made.**

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

281. UNICEF monitors nutrition programmes in the current strategic plan using three different mechanisms: (a) strategic monitoring questions; (b) the results assessment module; and (c) NutriDash. Since NutriDash is one of the most comprehensive tools to collect data on nutrition programmes globally, UNICEF will improve the monitoring of progress by making further improvements to it. The Programme Division will continue extending financial and technical support to country offices, especially those operating in areas with a high burden of stunting, wasting and child mortality. Support will also be extended to countries dealing with emerging challenges, such as the prevention of obesity, and adolescent and maternal nutrition.

282. **In paragraph 224, the Board recommended that UNICEF use the lessons learned from the Millennium Development Goals for the effective implementation of the Sustainable Development Goals.**

Department responsible:	Division of Data, Research and Policy
Status:	In progress
Priority:	High
Target date:	First quarter of 2020

283. The Sustainable Development Goals monitoring framework is considerably more complex and ambitious than the Millennium Development Goals monitoring framework. There are more indicators that can be disaggregated to monitor progress of different groups, including women, minorities and populations of subnational areas. Based on the experience of the Millennium Development Goals, UNICEF has learned that ensuring a complete baseline and periodic monitoring of the Sustainable Development Goals will require: (a) systematic coordination among different organizations that support data monitoring to identify and help close data gaps; (b) the prioritization of data monitoring support to countries that are least able to generate data on their own; (c) new data collection methods to be used in environments where traditional methods (surveys, administrative data) are not feasible (for example, in conflict settings); (d) greater commitment from countries themselves to support the monitoring of the Sustainable Development Goals; and (e) strengthened capacity of countries to conduct credible data monitoring.

284. UNICEF is committed to doing everything it can in pursuit of these five strategies, and has begun new efforts to support them. These efforts have now been firmly embedded through a number of corporate strategies and commitments. These include prioritizing evidence generation as a core strategy and function in support of ensuring the achievement of results of UNICEF's new strategic plan, 2018-2021, through specific key performance indicators, which will be monitored and reported upon on an annual basis. These are also prioritized through dedicated resources, capacities and plans as core accountability and deliverables among headquarters divisions tasked with harnessing the role of evidence in driving change and contributing to supporting countries in implementing the 2030 Agenda. While the overall milestone for implementation would be the end of the four-year strategic plan period, in 2021, UNICEF has also set intermediary targets, which would be monitored on an annual basis.

285. **In paragraph 232, the Board recommended that UNICEF streamline and integrate the various mechanisms for harnessing inputs and insights from regions and countries and ensure that those inputs were suitably factored in while finalizing the new strategic plan, 2018-2021, for supporting the implementation of the Sustainable Development Goals.**

Department responsible:	Division of Data, Research and Policy
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

286. UNICEF undertook a highly consultative and effective process for the development of successive drafts of the strategic plan, 2018-2021. The process included external consultations with member States and other partners as well as internal consultations with offices at the regional and country levels. A structured and transparent process was initiated subsequent to the mid-term review of the strategic plan, 2014-2017, culminating in the final draft of the strategic plan, 2018-2021, being submitted for editing and translation for consideration at the second regular session of the UNICEF Executive Board in September 2017. The consultative process was also presented to the Executive Board in the form of a "road map" at the second regular session of 2016 and the first regular session of 2017. Inputs were sought from country and regional levels at several points throughout the planning cycle, including in May 2016 with the roll-out of the baseline questionnaire for the strategic plan, in which offices were consulted and asked for their inputs for the target-setting exercise for output indicators.

287. **In paragraph 236, the Board recommended that UNICEF review the charter of the Office of Internal Audit and Investigations to ensure adherence to the International Standards for the Professional Practice of Internal Auditing.**

Department responsible:	Office of Internal Audit and Investigations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

288. UNICEF is currently reviewing the charter of the Office of Internal Audit and Investigations in response to recent changes in the International Standards for the Professional Practice of Internal Auditing, with the support of the Audit Advisory Committee and in coordination with the other United Nations audit functions.

289. **In paragraph 243, the Board recommended that the Office of Internal Audit and Investigations prepare and implement its annual workplan to adhere to five-year audit cycle in accordance with the charter of the Office of Internal Audit and Investigations.**

Department responsible:	Office of Internal Audit and Investigations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

290. The charter of the Office of Internal Audit and Investigations requires that it develop and implement a risk-based annual workplan with the aim of ensuring that, inter alia, all UNICEF country offices are audited within a five-year cycle. The charter also requires, in line with auditing standards, that the workplan be flexible and adaptable to the emerging trends and issues in the organization, and thus the

planned audit work will necessarily change as the year progresses to reflect UNICEF's evolving risk profile and assurance needs. All amendments to the plan, and its impact, are reported to the Executive Director and the Audit Advisory Committee to ensure that the coverage by the Office of Internal Audit and Investigations is adequate to provide the necessary assurance on governance, risk management and control, and support the annual audit opinion. This assurance has included appropriate coverage of high and very high risk areas for the work of the organization through routine audits as well as through thematic and headquarters audits.

291. While UNICEF disagrees with the Board's conclusion that the Office of Internal Audit and Investigations is not in compliance with its charter, it agrees with the need to review the charter, including the five-year audit cycle, to ensure that it properly reflects the organization's current and future assurance needs, and that it facilitates an effective and efficient risk-based internal audit. The Office of Internal Audit and Investigations is currently revisiting its charter with the support of the Audit Advisory Committee.

292. **In paragraph 247, the Board recommended that the Office of Internal Audit and Investigations adhere to the timelines fixed for issuing Internal Audit Reports and completing investigations.**

Department responsible:	Office of Internal Audit and Investigations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

293. UNICEF has already revised its audit processes and monitoring systems, as recommended by the Board. In respect of investigations, however, UNICEF would like to emphasize that the nine-month indicator is not regarded as a deadline, bearing in mind that individual investigation cases vary considerably in complexity and that, therefore, the time taken to close them also varies. It is crucial that each investigation is undertaken with due process in order to maintain confidence in the system.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

294. In annex I to its report for the year ended 31 December 2016 (A/72/5/Add.3, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided in the present section on the 11 recommendations listed as outstanding from prior periods. The information is set out below in the order in which the recommendations are presented in the annex.

295. The overall situation as at August 2017 is summarized in table 15 below.

Table 15
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Data, Research and Policy and Division of Financial and Administrative Management	1	–	–	1	1	–
Division of Financial and Administrative Management	2	–	–	2	2	–
Division of Human Resources	1	–	–	1	1	–
Field Results Group	2	–	–	2	2	–
Field Results Group and Division of Financial and Administrative Management	1	–	–	1	1	–
Supply Division	4	–	–	4	4	–
Total	**11**	**–**	**–**	**11**	**11**	**–**

Report of the Board for the year ended 31 December 2013[15]

296. **In paragraph 69, the Board recommended that UNICEF require its country offices to apply fully justified budget assumptions in preparation for resource estimation with respect to activities set out in the multi-year/rolling workplans.**

Departments responsible: Field Results Group and Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: First quarter of 2018

297. Guidance on the preparation of multi-year/rolling workplans for country offices has been strengthened to include the development of assumptions for budget preparation. A results-based management training module has been developed and successfully rolled out. Workplan guidelines are being developed and it is expected that they will be issued before the end of 2017.

298. UNICEF is also developing a new budget management tool that aims to streamline and facilitate the resources estimation process. Accompanied by related policies and procedures, the tool will be rolled out at all offices during the first quarter in 2018.

Report of the Board for the year ended 31 December 2014[16]

299. **In paragraph 69, the Board recommended that: (a) steps be taken to improve the completion rate of activities under the integrated monitoring and evaluation plan; (b) the country offices continue their efforts to ensure timely finalization of annual workplans and follow up release of funds to implementing partners; and (c) the system and procedure for timely**

[15] A/69/5/Add.1, chap. II.
[16] A/70/5/Add.1, chap. II.

preparation and submission of annual management plans to the regional offices be strengthened to improve the governance of country offices.

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

300. Further to its issuance of revised guidance in the Programme Policy and Procedure Manual on annual workplans and annual management plans in 2015, UNICEF has implemented Prime, a software platform to replace manual integrated monitoring and evaluation plans. Prime requires multiple aspects of quality assurance throughout the year, ensuring the integrated monitoring and evaluation plan activities are realistic, thus improving completion rates.

301. A further refinement of the system is in progress to integrate the Prime software platform with other evaluation information platforms, namely the Evaluation and Research Database and the evaluation management response tracking system. This will provide a comprehensive, integrated information system for planning, managing and reporting on monitoring and evaluation activities. It will further strengthen the capacity of UNICEF offices to plan, manage and report in real time.

Report of the Board for the year ended 31 December 2015[17]

302. **In paragraph 14, the Board recommended that UNICEF consider: (a) consolidating at the corporate level an annual integrated budget containing figures from all the budgets approved by the Executive Board; and (b) include budgeted amounts for various activities under each outcome at the appropriate business unit level.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

303. UNICEF has prepared a clear framework, in line with IPSAS, which articulates the annualization of amounts from the various budget sources. UNICEF is developing a new budget management tool that will link resources with outcome results.

304. **In paragraph 90, the Board recommended that UNICEF ensure that: (a) regional and country offices take necessary steps to prepare realistic integrated monitoring and evaluation plans and improve the completion rate of their activities; and (b) follow the procedure prescribed in the Programme Policy and Procedure Manual with respect to the preparation and implementation of annual workplans and annual management plans in order to enable their timely execution.**

[17] A/71/5/Add.3, chap. II.

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

305. With regard to this recommendation of the Board, see the comments of UNICEF in paragraph 300 above.

306. **In paragraph 104, the Board recommended that UNICEF lay down quantitative thresholds for projecting staff requirements and reduce the time lag in the recruitment process.**

Department responsible:	Division of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

307. UNICEF has identified strengthening and improving recruitment as a pillar of its human resources management reform, and a new policy that became effective in February 2017 simplifies the recruitment process and decentralizes approving authorities. A new business partnering model was also implemented at UNICEF headquarters in July 2017. While the new policy and model will not be "laying down quantitative threshold for projecting staff requirements" per se, these new measures are expected to yield a more strategic approach to talent management and support, including projecting staff requirements.

308. **In paragraph 105, the Board recommended that UNICEF consider: (a) putting in place a fund tracking system to establish links between planned and actual expenditure against the appropriate planning level (outcome, output, activity); (b) review the existing guidance and other resource material for their improvement and better utilization; and (c) align output indicators with focus areas and activities towards achievement of outputs under the outcome entitled "Education".**

Departments responsible:	Division of Data, Research and Policy, and Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

309. UNICEF is developing a new budget management tool to ensure effective budget management and expenditure monitoring. The tool will link resource utilization with outcome results.

310. **In paragraph 114, the Board recommended that the Supply Division follow up with country offices and third parties to review the causes of delay and make sincere efforts to ensure the timely receipt of vaccine arrival reports.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

311. With regard to this recommendation of the Board, see the comments of UNICEF in paragraph 268 above.

312. **In paragraph 133, the Board recommended that the Supply Division: (a) ensure coordination among freight forwarding agents, country offices and implementing partners for capturing real time data in the VISION system in order to strengthen supply chain management with updated information; and (b) update the information in VISION regarding the status of delivery of supplies without further delay.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

313. UNICEF is preparing a policy to ensure coordination among freight forwarding agents, country offices and implementing partners for capturing real time data about inventory in transit in the VISION system. The updated VISION report will now capture the status of the deliveries of supplies correctly.

314. **In paragraph 149, the Board recommended that UNICEF ensure that purchase orders contain realistic delivery dates, binding both on the suppliers and UNICEF, and consider any unjustified deviation seriously, in the interest of programme implementation.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

315. With regard to this recommendation of the Board, see the comments of UNICEF in paragraph 266 above.

316. **In paragraph 156, the Board recommended that UNICEF review cases of delay and follow up with contracting staff, suppliers and freight forwarding agents to ensure the timely delivery of supplies, and follow up with the country offices, in case of backlog, to ensure that delivery dates are confirmed and deliveries of supplies are made without further delay.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

317. With regard to this recommendation of the Board, see the comments of UNICEF in paragraph 268 above.

318. **In paragraph 172, the Board recommended that UNICEF review the applicability of its policy on advance booking globally, in view of the changes in the travel business, and revise the strategies accordingly.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

319. With regard to this recommendation of the Board, see the comments of UNICEF in paragraph 275 above.

VII. United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[18]

320. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 16 and 17 below.

Table 16
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	2	–	1	1	1	–
Department of Human Resources	2	1	1	–	–	–
Department of Information Management	1	–	–	1	1	–
Department of Planning	1	–	–	1	1	–
Total	**6**	**2**	**–**	**4**	**4**	**2**

[18] A/72/5/Add.4, chap. II

Table 17
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Department of Administrative Support	8	–	2	6	6	–
Department of Finance	7	–	–	7	7	–
Department of Health	1	–	–	1	1	–
Department of Human Resources	9	1	4	4	4	–
Department of Information Management	3	–	–	3	3	–
Department of Infrastructure and Camp Improvement	3	–	–	3	3	–
Department of Internal Oversight Services	2	–	1	1	1	–
Department of Planning	3	–	–	3	3	–
Department of Relief and Social Services	3	–	1	2	2	–
Department of Security and Risk Management	1	–	–	1	1	–
Microfinance Department	6	–	–	6	6	–
Multiple Departments	3	–	–	3	3	
Total	**49**	**1**	**8**	**40**	**40**	**–**

321. **In paragraph 19, UNRWA agreed with Board's recommendation that it: (a) develop an insurance framework to govern insurance practice by defining roles and responsibilities, drawing clear decision lines regarding what and how much to insure, managing the insurance portfolio in terms of risk exposure and developing valuation methodologies for insurance purposes; and (b) assess the risk exposure of the Agency's assets and use its assessment as a basis for deciding on the nature of assets to be insured and the value to be covered by the insurance.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

322. UNRWA is currently finalizing the terms of reference for a consultant to perform a risk assessment and to evaluate the exposure mentioned in part (b) of the recommendation. The results of the consultant's review will form the basis for addressing part (a) of the recommendation.

323. **In paragraph 23, UNRWA West Bank Field Office agreed with the Board's recommendation that it: (a) certify the monthly statements submitted by the contractor to authenticate the quality of service delivered and the accuracy of monthly actual expenditure, and (b) reconcile monthly statements submitted by the contractor against the submission made by the staff to validate the accuracy of the information submitted by the contractor.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

324. The UNRWA West Bank field office has reviewed the group medical insurance policy and, in consultation with the Department of Human Resources, it has been agreed that there will be a revised approach to the existing contract in order to ensure that monthly statements are reconciled, certified and reflected in the system. The existing contractor has been advised of this change in approach, which will be retrospective to the start of the current contract.

325. **In paragraph 27, the Board recommended that UNRWA: (a) develop preventive control measures in the REACH system to ensure that all assets below the capitalization threshold of $2,000 are tracked outside the fixed asset register; and (b) review the Property Management Manual to align it with IPSAS financial reporting policy on the recognition of camp infrastructures that are controlled by UNRWA.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

326. UNRWA already conducts regular assessments of its assets. Owing to limitations in the asset management system, UNRWA has introduced a manual checklist to track assets below the capitalization threshold of $2,000. The Property Management Manual will be revised to ensure that capitalization is in accordance with IPSAS.

327. **In paragraph 31, UNRWA agreed with the Board's recommendation that it: (a) expedite the allocation of a physical identification number for each asset in the fixed asset register maintained in the REACH system for easy traceability and monitoring of the assets; (b) develop a unique physical identifier to link the REACH system with other systems used to record fixed assets; and (c) expedite reconciliation of the number of vehicles in the REACH system and fleet management system records.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

328. Regarding part (a) of the recommendation, a request for a physical identification number in the REACH system will be further evaluated by the Department of Information Management. The reconciliation of information in the REACH and fleet management systems is an ongoing process. It should be noted that prior to migration to the REACH system, the fixed assets data was thoroughly "cleaned" to ensure accuracy. As UNRWA implements the fleet management

system, it will continue with the reconciliation recommended in part (c) of the recommendation.

329. **In paragraph 36, the Board recommended that the UNRWA Lebanon Field Office: (a) ensure that sections and departments provide timely notifications to the Property Management Unit on the new acquisitions and surveyed and transferred assets to allow manual recording and numbering of assets as a short-term solution, pending the reactivation of the barcode system; (b) improve communication and build awareness among custodians on raising survey requests and adherence to transfer procedures to ensure timely dissemination of information to the Property Management Unit for updating assets records; and (c) expedite the reactivation process of the barcode system in the REACH system for easy tracking and monitoring of acquired assets and surveyed and transferred assets from one location to another.**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

330. The UNRWA Lebanon field office is drafting a standard operating procedure on the acquisition, transfer and survey of assets in order to address parts (a) and (b) of this recommendation. This standard operating procedure, when finalized, will be communicated to installation managers and heads of programmes through awareness sessions that will be held both at headquarters and at the field offices. Regarding part (c) of this recommendation, the reactivation process of the barcode system will be coordinated with UNRWA headquarters to ensure agency-wide alignment.

331. **In paragraph 40, the Board recommended that UNRWA: (a) review the financial technical instruction to bring it into line with the new maintenance policy for guiding the field offices on maintenance-level classification and accounting treatment; and (b) ensure that all costs relating to comprehensive maintenance activities which improve the performance or extend the useful life of an asset are classified under capital account codes during the budgeting process.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

332. UNRWA is in the process of reviewing its financial technical instruction to reflect the changes made in the maintenance policy. This will provide further guidance to the field offices on the maintenance level classification and the related accounting treatment.

333. **In paragraph 44, the Board recommended that UNRWA review and identify the key performance indicators which are not in line with SMART criteria and revise them accordingly.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

334. UNRWA is taking action to implement this recommendation. Where possible and appropriate, indicators were identified for further improvement and the necessary adjustments are being disaggregated. Indicators, where no further disaggregation can be provided, relate to specific sectors of response such as: (a) displacement during acute emergencies, where it is not possible to identify absolute targets ahead of time; or (b) where the unit of analysis did not allow for further disaggregation.

335. **In paragraph 49, the Board recommended that UNRWA: (a) update the provisional baseline in the results-based management system immediately upon release of the annual results review report to reflect the true baseline; and (b) minimize the time taken to release the annual results review report so that the challenges identified and the issued recommendations for improvement are considered in the preparation and implementation of the operational plan of the current year.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

336. Following the 2016 results review held in March 2017, UNRWA initiated a process of reviewing and updating the 2017 baselines and targets on the basis of 2016 results. The report on the annual results review was issued on 22 March 2017, which was within the reporting cycle of 10 weeks. UNRWA remains committed to releasing the report in a timely manner and will make further improvements in future years.

337. **In paragraph 52, the Board recommended that UNRWA: (a) review its hedging policy to indicate the method applicable for assessing hedge effectiveness; and (b) ensure that hedge effectiveness is assessed to identify the forward contracts that qualify for hedge accounting during the preparation of financial statements.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

338. UNRWA will ensure that the effectiveness of its hedging policy is assessed at the year-end in accordance with IPSAS 29. The results of the assessment will be documented, in line with the hedging policy, and will be reviewed and incorporated in the financial technical instructions.

339. **In paragraph 57, the Board recommended that UNRWA update the financial technical instruction to formalize the performance of payroll reconciliation and define the relevant payroll report to be used for payroll reconciliation, the timing of reconciliation and the time frame for clearance of unreconciled transactions for accuracy and completeness of the payroll process.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

340. UNRWA has already issued instructions on how payroll reconciliation is to be performed. The instructions have been formalized in training presentations, which have been shared with the Board. These include detailed steps on how payroll reconciliation is to be performed. Responsible personnel have received extensive training on the instructions. Payroll reconciliation has also been specifically flagged as a key activity to be completed prior to closure of accounts by the designated focal point to ensure its completion in a timely manner. The instructions on performing periodical reconciliation will be incorporated in the financial technical instructions.

341. **In paragraph 58, the Board recommended that UNRWA: (a) increase the scope of payroll reconciliation by considering the gross payable amount posted by the Human Resources Department, which included all deductions, rather than following the current practice of reconciling only the net payable amount; and (b) expedite the clearance of long outstanding transactions to avoid possible misstatement in the financial statements.**

Departments responsible:	Department of Finance and Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

342. UNRWA will increase the scope of payroll reconciliation after assessment of the system controls in the human resources module to ensure the accuracy of deductions. The payroll reconciliation has been completed for the year ended 31 December 2016. The long outstanding staff advances are being cleared and charged under the correct wage type to ensure the accuracy of financial reporting.

343. **In paragraph 61, UNRWA agreed with the Board's recommendation that it: (a) review the configuration of the REACH system in order to identify all errors and system faults relating to staff earnings and deductions generated; (b) improve the review process for payroll posting to minimize human error and consider retraining human rights staff on the basis of lessons learned and by taking into account the frequency of the payroll processing errors; and (c) ensure that employees' statutory salary deductions for the United Nations Joint Staff Pension Fund are made and submitted to the Pension Fund each month.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	High
Target date:	Not applicable

344. UNRWA has instituted measures to implement this recommendation, including: (a) regular training workshops for staff of the Department of Information Management and the Department of Finance and regular capacity-building sessions for staff of the International Personnel Service Section are taking place to reduce human errors in entitlement calculation; (b) surge support has been provided by the Economic and Social Commission for Western Asia to the International Personnel Service Section from 19 March to 14 April 2017; (c) the International Personnel Service Section has selected an additional staff member to reinforce its team; and (d) optimization of the configuration of the REACH system by the Department of Information Management, in close coordination with the International Personnel Service Section, is ongoing. The review processes were approved and human errors have significantly decreased. All policy changes are now communicated to the Department of Information Management in a timely manner.

345. **In paragraph 66, the Board recommended that UNRWA: (a) consider the inclusion of a staff assessment cost for the wages, salaries and employee benefits of international staff reported in the financial statements; and (b) recognize the staff assessment cost retained at United Nations Headquarters and consider it as part of the contribution from the Headquarters.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

346. With regard to part (a) of the recommendation, UNRWA reiterates that, since the implementation of IPSAS in 2012, it has been reporting the international staff costs in a consistent manner and that there was no change in the 2016 reporting. While UNRWA notes that part (b) of the recommendation includes staff assessment as part of the contribution and expense from Headquarters, the impact is primarily the extension of the statement of financial position with relatively minor percentages as compared to that contribution and expense. To recognize the retained staff assessment as a contribution would require consent from the United Nations Secretariat. UNRWA will follow up on this matter with the Secretariat.

347. **In paragraph 70, the Board recommended that UNRWA: (a) streamline the administrative procedures followed before signing the hospitalization contracts to shorten the process and ensure that all contracts are signed before delivery of services; and (b) perform an evaluation of previous services received before extending service contracts.**

Department responsible:	Department of Health
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

348. Regarding part (a) of the recommendation, the administrative procedures for the hospitalization contracts were implemented to ensure the presentation of the contracts for approval and signature by the awarding authority before continuation of services in January 2017. Regarding part (b) of the recommendation, the evaluation of the performance of hospitals will be conducted prior to sending any letters of interest to the hospitals.

349. **In paragraph 75, UNRWA agreed with the Board's recommendation that it: (a) review its procurement manual to include limits for contract renewals in order to enhance fair competition and obtain best value for money; and (b) improve the data collection process to include end users' satisfaction as part of vendors' performance evaluation and ensure that renewal of contracts takes into account the results of the Agency's market assessment.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

350. Regarding part (a) of the recommendation, UNRWA wishes to clarify that, in accordance with its procurement manual, it is allowed to renew its contracts subject to the provisions of the original contract or where annual renewal is a standard commercial practice. The sponsoring officer must evaluate the rationale for such renewals on a case-by-case basis depending on whether the action will be in the best interest of UNRWA. Concerning part (b) of the recommendation, while it is a good practice to request for end user's vendor performance evaluation and to support renewal of contracts with market assessment, the implementation of this part of the recommendation may not be possible current due to UNRWA's resource constraints.

351. **In paragraph 82, the Gaza field office agreed with the Board's recommendation that: (a) in coordination with Health Department and the Procurement and Logistics Division at headquarters in Amman, it establish a timeline for raising purchase requisitions on medical items on the basis of the procurement plan in order to avoid stock-out and emergency procurement, which could lead to higher costs; and (b) consider entering into long-term agreements with local suppliers that offer competitive prices and meet the required specifications, to be used for emergency needs of medical supplies.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

352. Part (a) of the recommendation is being considered in the context of the overall reform of health procurement at UNRWA. This will include fundamental changes to the way quality assurance and quantification are performed, as well as changes to the standard and harmonized list of medicines to be procured.

353. UNRWA disagrees with part (b) of this recommendation. It is not always optimal to maintain long-term agreements with local suppliers owing to their inability to comply with UNRWA quality assurance policy for finished pharmaceutical products or to offer competitive prices. None of the five countries in

which UNRWA operates is considered by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use as a stringent regulatory authority, and quality can therefore be an issue. Local prices are often much higher than international prices. UNRWA will discuss this part of the recommendation further with the Board during its next audit.

354. **In paragraph 87, the Board recommended that UNRWA: (a) comply with the procurement manual by awarding contracts to the lowest technical compliant evaluated bidders; (b) ensure that contract management plans are developed for strategic and important contracts and used as a tool for monitoring the implementation of contracts and reporting the key performance indicator measures as required by the procurement technical instruction; and (c) perform a comprehensive evaluation review and ensure that the evaluation criteria are detailed enough so as to include a vendor's past performance, equipment, qualified staff and financial stability, in order to confirm its ability to deliver the intended service before award.**

Department responsible:	Department of Administrative Support
Status:	Closure requested
Priority:	High
Target date:	Not applicable

355. Regarding part (a) of the recommendation, UNRWA wishes to clarify that paragraph 9.6 of its procurement manual states that when proposals are made to award contracts to other than the lowest bidder, the reasons must be stated in writing. Furthermore, under the terms of paragraph 1.4.2 of the manual on "best value for money", UNRWA is allowed to select the offer which presents the optimum combination of factors, including risk, to best meet defined needs. In the particular case noted by the Board, the awarding authority had used an integrated assessment of technical, organizational, risk and pricing factors as the basis for its decision, in line with the guidelines in the procurement manual. With regard to part (b) of the recommendation, the contract management plan is part of the Procurement and Logistics Division technical instructions No. 1 on contract management, which was withdrawn pending the acquisition of optimal staffing resources. However, the Jordan field office will administer the contract, based on the service contract and its annexes. Concerning part (c) of the recommendation, it should be noted that the tender has provisions to take into account the vendor's technical and organizational capacity. UNRWA requests the closure of this recommendation by the Board.

356. **In paragraph 92, UNRWA agreed with Board's recommendation that it: (a) remind and advise user departments, through the Contract Management Unit, to start renewal process or re-tendering within six months before the contract expiration in order to allow enough time for the procurement process; and (b) streamline the review process for contracts to ensure timely completion of the procurement process before the expiration of existing contracts.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

357. With regard to part (a) of the recommendation, centralized repositories of all long-term agreements and service contracts are available on the UNRWA shared drive. Resources are assigned to track expiry dates with user departments for action in a timely manner. Concerning part (b) of the recommendation, article 9 of the UNRWA procurement manual provides guidance on procurement review in order to ensure compliance with the UNRWA regulatory framework.

358. **In paragraph 97, UNRWA agreed with Board's recommendations that it: (a) solicit other sources of funds to complete the remaining work for the project; (b) conduct training for the engineering team on the contract management process to ensure that it takes proactive decisions based on the terms and conditions of contracts in order to avoid failure in completing projects; (c) involve legal officers, when their intervention is required, in events, such as slow progress, which indicate that the work cannot be reasonably be completed on the fixed date and that negotiations with donors is needed in order to prolong the funding period; and (d) hold regular meetings to discuss the status of project implementation and the expiry date of the donor funding, involving engineers, the External Relations and Communication Department and project officers and maintain regular communication with the executive office with a view to making a final decision.**

Department responsible:	Department of External Relations and Communications
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

359. UNRWA is making improvements to address this recommendation.

360. **In paragraph 103, UNRWA agreed with the Board's recommendation that it ensure close monitoring of the contracts and, in case the work was below standard and there was delay in implementation, apply remedies in accordance with the contract conditions and, if feasible, terminate the contract as matter of urgency to avoid further delay in the completion of the project and cost escalation, considering the associated risk and benefits.**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

361. UNRWA will ensure close monitoring of contracts in order to proactively intervene should there be significant variations in the standard of work or delay in implementation. A policy is being drafted and a copy will be provided to the Board during its next audit.

362. **In paragraph 106, UNRWA agreed with the Board's recommendation that it conduct training for both procurement personnel and user departments in order to raise the level of awareness and improve compliance with the procurement manual (2015) and the new Procurement and Logistics Division technical instruction No.1 (PLDTI1) of January 2016.**

Department responsible:	Department of Administrative Support
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

363. The Procurement and Logistics Division technical instruction No. 1 on contract management has been withdrawn pending the acquisition of optimal staffing resources. The new version of the procurement manual was a result of extensive Agency-wide consultations. A summary document identifying the differences between the old manual and the new one was widely shared at headquarters and in the field offices. There are no issues with respect to the implementation and application of the new manual and consequently there is no need for training. UNRWA requests the closure of this recommendation by the Board.

364. **In paragraph 108, the Board recommended that the Jordan field office: (a) ensure that project proposals with a detailed workplan are prepared, in the interest of efficient project implementation and monitoring and to solicit funds; (b) improve the preliminary survey and design of construction and maintenance projects and, where feasible, prepare cost estimates on the basis of more detailed information to enable improved accuracy of the cost estimate to be submitted to the donor in order to avoid major changes in the scope of work during project implementation; and (c) ensure that monthly reports are submitted to the donor to comply with the funding agreement.**

Departments responsible:	Department of Infrastructure and Camp Improvement and Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

365. With regard to parts (a) and (b) of the recommendation, UNRWA will ensure that they are implemented for future projects. With respect to part (c) of the recommendation, UNRWA will ensure that reports are submitted in a timely manner to donors, as stipulated in the funding agreements.

366. **In paragraph 114, the Board recommended that the Lebanon field office: (a) plan in advance the appropriate time for lodging a request for approval from the Lebanese army force on entry of building materials into the camps immediately after signing a contract, in order to ensure smooth implementation of the project; and (b) ensure that project risks assessment is conducted and included in the project proposal as required by the UNRWA project process manual (2011).**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

367. UNRWA is already seeking the approval of the Lebanese army force, as appropriate. UNRWA will ensure that a project risk assessment is included in the project proposal, in accordance with the requirements in the project process manual (2011).

368. **In paragraph 119, UNRWA agreed with the Board's recommendation that it develop and deploy a web page for the Department of Security and Risk Management on the Agency intranet in order to improve sharing of security governance documents and other key security-related information and use the page as a platform to carry out an online security awareness campaign.**

Department responsible:	Department of Security and Risk Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

369. UNRWA aims to have a best practice guide, which will contain all of its relevant security and safety policies, guidelines and standard operating procedures, ready for launch on the intranet by the fourth quarter of 2018.

370. **In paragraph 123, the Board recommended that UNRWA expedite the process of developing business continuity plans for headquarters and field offices to improve continuity of service delivery and enhance the security and safety of the Agency resources during major incidents.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

371. UNRWA has completed the business continuity plan for headquarters functions in Gaza. Work on business continuity plans across UNRWA field offices will follow the finalization and roll-out of its emergency management framework.

372. **In paragraph 129, UNRWA agreed with the Board's recommendation to: (a) expedite the installation of the management information system for better management of loan portfolio and overall programme performance; and (b) closely monitor the implementation of the contract to ensure that the system is developed in line with the contract specification and avoid extension of the contract without specifying the end date thereof.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

373. The UNRWA management information system is operational and the monitoring of contracts through the system will be implemented soon.

374. **In paragraph 130, the Board recommended that in future UNRWA: (a) consider inclusion of a liquidated damages clause and demand submission of performance security for service contracts to enforce performance of the contractor; and (b) ensure that any implementation of the project is supported by an implementation plan, which will indicate the completion time for each stage of the contract.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

375. UNRWA will include a liquidated damages clause and demand submission of performance security for service contracts in the future and will enforce compliance. The Lebanon field office will ensure that the implementation of any project is supported by a plan, which will indicate the completion time for each stage of the contract.

376. **In paragraph 133, the Lebanon field office agreed with the Board's recommendation that it strengthen controls over the loan approval process and ensure that all loans are approved by the Loan Committee, as required under the direct lending microcredit support programme guidelines (2012).**

Department responsible:	Department of Relief and Social Services
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

377. The Lebanon field office has already implemented this recommendation; all loans are now approved by the Loan Committee in accordance with the established guidelines. UNRWA requests the closure of this recommendation by the Board.

378. **In paragraph 139, the Board recommended that UNRWA: (a) identify and review low retention factors within the Agency's control and include them in the general staff well-being matters to improve retention of key staff; and (b) customize and simplify the exit questionnaire for easy completion and conduct oral exit interviews to capture a wide range of separation reasons for the purposes of decision-making and document the result in the appropriate file.**

Department responsible:	Department of Human Resources
Status:	Not accepted
Priority:	High
Target date:	Not applicable

379. UNRWA disagrees with the recommendation, as it does not take into account the multitude of factors affecting its staff retention. UNRWA is aware of the main factors and they are not within its control. Staff well-being is holistically addressed outside of staff turnover concerns. Furthermore, with respect to part (b) of the recommendation, UNRWA does not agree with the need to conduct oral exit

interviews, as they do not provide more information than a simplified form. Furthermore, arranging such interviews would require additional resources and might distract staff from already complex operations in times of scarce (human) resources.

380. **In paragraph 142, the Board reiterated its previous recommendation that UNRWA: (a) conduct performance evaluation of individual consultants and contractors in order to comply with the complementary personnel directive (CPD/1); and (b) ensure that all hiring departments develop and include measurable outputs and performance indicators in their terms of reference for individual consultants and contractors hired, for the monitoring and evaluation of results.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

381. In December 2016, UNRWA issued the complementary personnel directive on the contracting of individual service providers (CPD/1). The new directive entered into force on 1 January 2017. It applies to all new contracts or extensions of contracts with a start date on or after 1 January 2017. The directive addresses the elements of the recommendation. A copy of the directive has been submitted to the Board for review and its concurrence in the closure of the recommendation.

382. **In paragraph 146, the Board recommended that UNRWA: (a) develop a detailed salary advance policy for international staff, which will define the application of international staff rule 3.16 on salary advances and indicate the eligibility criteria, limitation in amount, liquidation period and restriction on multiple salary advances; and (b) improve the review process to ensure that monthly deductions and repayment periods recorded in the system align with those that have been approved.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

383. UNRWA disagrees with part (a) of the recommendation and maintains that all staff salary advances are issued in line with the existing staff rules, which are sufficiently comprehensive. Hence an additional salary advance policy would be redundant. The provisions in the staff rules are sufficient as a policy and UNRWA complies with the rules. UNRWA notes that most advances relate to rental subsidy advances, which can be easily recovered from the subsidy owed to staff over the duration of their contract. This is the current practice and it is in line with United Nations standards. UNRWA accepts part (b) of the recommendation and will further enhance the review process for payroll data to ensure that deductions and repayment schedules are adhered to. UNRWA advised the Board that the instance noted was a one-time issue arising from the transition from the legacy system to the REACH system, whereby certain advances were not reconciled on time. UNRWA has completed its implementation of the REACH system and all transactions are now fully processed in it. The Department of Human Resources and the Department of Finance thus have the same information.

384. **In paragraph 152, the Board recommended that: (a) headquarters in Amman and the Gaza field office assess what constitutes a reasonable number of staff to be in the Recruitment Section against the workload and consider the use of staff from other sections within the Department during peak times in order to minimize frequent delays in the recruitment process; (b) the Gaza field office ensure that the recruitment roster is updated regularly and effectively used to fill relevant posts, especially for core services, such as teachers, health officers, and relief and social services officers.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

385. UNRWA regularly assigns recruitment duties during peak recruitment periods. The resourcing of the Recruitment Section, the processes undertaken and the duration of the largest rosters are being reviewed, and the 2017 recruitment plan now under implementation provides for maintaining rosters for core functions.

386. **In paragraph 153, the Board recommended that the West Bank field office: (a) establish a succession plan for the Recruitment Section so that the absence of one person does not obstruct the recruitment process; and (b) streamline the recruitment process among the hiring departments and the Department of Human Resources and ensure that the detailed interview reports are submitted for appointment within an agreed period of the completed interviews, with a view to minimizing delays in the recruitment process.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

387. The UNRWA West Bank field office will proceed with the implementation of measures to address the recommendation. The measures include establishing a documented handover arrangement for recruitment staff to ensure the continuity of recruitment processes and establishing a streamlined process among hiring departments and the Department of Human Resources.

388. **In paragraph 158, the Board recommended that UNRWA ensure compliance with international staff personal directive No. I/104.2/Rev.4 for the purposes of effective panel recommendations by developing both quantitative and qualitative comparative analyses for ranking candidates and using them as the basis for the panel recommendations.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

389. The new recruitment reform, which was implemented recently, incorporates quantitative and qualitative comparative analyses for ranking candidates, and these are being used as the basis for panel recommendations. Accordingly, UNRWA requests the closure of this recommendation.

390. **In paragraph 162, UNRWA agreed with the Board's recommendation that it: (a) strengthen the clearance review process to ensure that deductions are made from all international staff members' payments before they separate and a refund is made immediately after a six month-period has elapsed; and (b) formalize the clearance procedures, deducted amount and withholding period for the amount retained from a separated staff member through personnel directive or policy for reference.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

391. UNRWA has started cross-checking the e-leave records with the administrative officers responsible for monitoring the concerned staff member's leave before authorizing any leave encashment and is verifying if there are any pending payments before releasing the withheld salary. Furthermore, UNRWA has started using a reminder function in Outlook to enable the staff of the International Personnel Services Section to ensure timely release of the withheld salary. In addition, a personnel directive formalizing the clearance procedures, the deducted amount and the withholding period is being drafted.

392. **In paragraph 167, the Board recommended that UNRWA: (a) expedite the process of recovering the overpaid amount from separation benefits; (b) improve the review process for the computation of staff separation benefits before payment is made; (c) ensure that the accrued annual leave balance in the e-leave system is supported by confirmation from the hiring department before authorizing the leave encashment in order to avoid overpayment; and (d) adjust the overpaid amount for area staff and international staff in the financial statements to recognize the account receivable and derecognize the expense by the same amount.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

393. UNRWA has initiated the recovery of the overpaid amount from the staff member in question for leave encashment and the recovery of the staff member's leave days exceeding the actual leave balance as at 15 February 2016. UNRWA has reviewed the leave verification process and found that the noted error resulted from a human error. UNRWA has started to cross-check the e-leave records with the responsible staff members before authorizing any leave encashment to avoid such errors in the future.

394. **In paragraph 172, the Board recommended that UNRWA: (a) expedite expansion of the mobile automated teller machine (ATM) to areas where**

families are not directly reached by the Jordan Ahli Bank service and establish an appropriate solution to meet the primary objective of the e-card system; and (b) in collaboration with the World Food Programme and Jordan Ahli Bank, enhance the ATM system to resolve the system configuration issue that interferes with the beneficiaries' ability to withdraw their deposits.

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

395. With respect to part (a) of the recommendation, the Jordan field office recently met with the Jordan Ahli Bank to discuss possible improvements in its services and specifically asked for stationary ATM machines to be placed in Baqa'a and Talbiyeh camps. UNRWA is in the process of identifying safe locations in coordination with the Department of Palestinian Affairs and the bank and hopes that this effort will yield positive results. Regarding part (b) of the recommendation, UNRWA reminded the Board that it had no authority over banks to enhance configuration of ATMs to resolve system glitches. Regarding an automated service whereby the ATM releases the full amount of cash to which the refugee is eligible per cycle at once, is not possible for banks to configure the ATM system in this way. As reported to the Board during the year-end audit, the Jordan field office has made efforts to educate all refugees once again on the need to withdraw the full amount allocated to them by typing in the respective cash amount. UNRWA requests the Board to reconsider its stand on part (b) of the recommendation, as UNRWA is unable to follow up on this recommendation in its current form.

396. **In paragraph 177, the Board recommended that UNRWA: (a) conduct quarterly reviews on drug consumption for health centres and use them in forecasting consumption and stock requirements; and (b) ensure the effective use of the REACH system by the Procurement and Logistics Division and the Department of Health in monitoring consumption rates and determining stock levels and reorder points.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

397. UNRWA has advocated for recentralizing the medicine procurement budget as a means of avoiding the difficulties of dealing with multiple field offices, since an error or an omission by a field office can delay the entire procurement exercise. At present, owing to system limitations, UNRWA does not yet have "live" stock status for each clinic to assess its stock balances, but relies instead on quarterly stocktakes. UNRWA is endeavouring to connect the REACH system to the clinics, either through e-Health or another application, to obtain real-time visibility of stock balances. This project should be implemented during the fourth quarter of 2017; however, it is subject to the availability of resources and other priorities.

398. **In paragraph 182, UNRWA agreed with the Board's recommendation that it develop a disaster recovery plan for the Lebanon field office that clearly identifies roles and associated responsibilities in case a disaster occurs.**

Department responsible:	Department of Information Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

399. The newly established Department of Information Management will work closely with the Lebanon field office to develop and implement a disaster recovery plan for that field office by the fourth quarter of 2017.

400. **In paragraph 186, UNRWA agreed with the Board's recommendation that it: (a) regularly conduct information security policy awareness training for its staff in order to improve information security practice at the Agency; and (b) ensure that the Security and Safety Section classifies security information on the basis of its criticality and sensitivity in accordance with the information security policy.**

Department responsible:	Department of Information Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

401. To address part (a) of the recommendation, the Department of Information Management will develop an information security awareness training programme and will propose to the Department of Human Resources that it introduce mandatory information security training for all UNRWA staff having interactions with corporate systems and data. The Department of Information Management will design the actual training and awareness programme, which will involve both face-to-face training and training through e-Learning, seek approval of the Information and Communications Technology Board after the materials and plan have been reviewed, and roll out the training programme, using a phased approach, by the fourth quarter of 2017, with Agency-wide completion expected by the first quarter of 2019.

402. With respect to part (b) of the recommendation, the Department of Information Management will include this specific task in the larger organization-wide records and information management initiative led by General Services Division, which the Department of Information Management is expected to provide with standards, best practices and technology requirements. This task is expected to be submitted to the Information and Communications Technology Board for approval by the fourth quarter of 2017. Furthermore, the Department of Information Management will raise this matter with the Board for guidance on information security policy implementation and highlight the need for the information security awareness training to be mandatory.

403. **In paragraph 190, UNRWA agreed with the Board's recommendation that it establish a change advisory board at all field offices and ensure compliance with the change management procedure established in technical instruction No. 11.**

Department responsible:	Department of Information Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

404. UNRWA will establish a change advisory board in all field offices in compliance with the change management procedure established in technical instruction No. 11.

405. **In paragraph 195, UNRWA agreed with the Board's recommendation that it: (a) develop an internal audit manual that will guide the audit process and provide the Department with practical guidance and information for managing the internal audit activity, including planning, execution and reporting of engagements; and (b) expedite the recruitment process for the vacant posts to allow smooth implementation of the 2017 audit plan.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

406. The Chief of the Audit Division was recruited and came on board in the third quarter of 2017. The recruitment of a senior auditor and the development and finalization of the internal audit manual are in progress and are considered as priorities for the Department of Internal Oversight Services.

407. **In paragraph 202, the Board recommended that UNRWA ensure: (a) that evaluation reports are publicly accessible, as required by organizational directive No. 14 and United Nations Evaluation Group norms and standards; and (b) that evaluation plans of field and headquarters departments are systematically communicated to the Chief of the Evaluation Division for consolidation in the Department of Internal Oversight Services annual evaluation plan.**

Department responsible:	Department of Internal Oversight Services
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

408. UNRWA ensures that, upon finalization, its evaluation reports are made available on a publicly accessible website. The Department of Internal Oversight Services has received updates on evaluations from all field offices and decentralized functions and has included them in the annual evaluation plan. UNRWA therefore considers this recommendation implemented and requests its closure by the Board.

409. **In paragraph 207, the Board recommended that the Microfinance Department: (a) ensure that regular project follow-up is carried out by loan officers and area loan supervisors to obtain updated status on the progress of the client's projects in order to minimize the risks of incorrect acceptance of**

the credit decision in the subsequent loan and decrease the risk of client default; (b) improve the loan approval processes to ensure that all supporting information is obtained and considered in the credit decision, to minimize the risk of default; and (c) establish a loan compliance checklist with all relevant procedures for granting loans and require the loan officers to complete it before granting a loan.

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

410. UNRWA issued instructions to area loan supervisors and branch managers to strictly follow the approved procedures of the Microfinance Department and adhere to the provisions of its manual. In addition, the Department's manual and loan approval process documents have been recirculated and close supervision will be undertaken to ensure compliance with their requirements.

411. **In paragraph 208, the Board reiterated its previous recommendation that the Microfinance Department: (a) monitor the controls related to cashier functions and address non-compliance issues on a regular basis; (b) ensure that verification officers monitor the application controls related to cashier functions and address issues of non-compliance to Department management on a regular basis; (c) reassign the function of cancelling cash-received vouchers to a person other than the cashier, so as to ensure proper segregation of duties; (d) make sure that full justification for the cancellation reasons is preapproved by the branch manager and documented for future reference; and (e) ensure that full and detailed information and analysis are obtained and made for both the client and the guarantor.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

412. UNRWA has improved the cashier functions in a number of ways, including conducting training for cashiers, adding new support staff to help cashiers with filing issues, introducing new Excel forms to increase the speed of work, introducing cash counting and forgery detection machines to help the cashiers in their work and conducting training for cashiers on using the new machines.

413. The reassigning of the function of cancelling cash-received vouchers to a person other than the cashiers is under consideration; however, it has technical system limitation and operational issues. In the meantime, the Microfinance Department has imposed a policy to ensure that appropriate approval is granted prior to the cancelation of the receipts by the cashiers. The policy and procedures have been added to the scope of work of the verification officers in their internal verifications of the branches of the Microfinance Department.

414. **In paragraph 211, the Board recommended that the Microfinance Department: (a) improve coordination between information technology and human resources departments such that access for every separating employee is**

revoked on the last day of employee service; (b) ensure that the use of accounts of separated employees is accompanied by formal documented exemption and approval by management to justify such access; and (c) ensure that separating employees accounts are deleted as part of the clearance procedures.

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

415. Although the mitigating control testing confirmed that access to the domain for the resigned employees sampled was active, UNRWA noted from the system that these accounts were not accessed after the resignation dates of the employees. A new measure to control this weakness is being put in place.

416. **In paragraph 214, the Board recommended that the Microfinance Department: (a) ensure that password standards and other security features are strengthened to comply with best practices; and (b) review the list of accounts with non-expiring passwords and ensure that all enabled and non-service accounts are forced to change their passwords on a periodic basis, for instance every 30-45 days. Exceptions to this rule should be justified according to business and availability need and approved by the management.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

417. UNRWA agrees with the recommendation, and necessary steps are being taken to strengthen password management.

418. **In paragraph 216, the Board recommended that the Microfinance Department liaise with the vendor supporting the Omni application to obtain and document the details of the interest income calculation formulas or logic into formal technical and operational manuals for the Agency and submit these to the top management for approval.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

419. UNRWA has communicated with the vendor and negotiations are ongoing regarding the best way to implement the recommendation.

420. **In paragraph 220, the Board recommended that the Microfinance Department: (a) include external members on the Advisory Board, as required by organization directive No. 25, in order to benefit from their independent technical experience and expertise on microfinance operations within and**

outside the region; and (o) ensure that the Advisory Board includes members as specified in organizational directive No. 25 of 2003.

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

421. UNRWA is in the process of identifying the consultants, and the necessary amendments and approvals will be obtained prior to the next meeting of the Advisory Board.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

422. In annex I to its report for the year ended 31 December 2016 (A/72/5/Add.4, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods.

423. In table 18 below, information is provided on the 27 recommendations that were assessed by the Board as under implementation or not implemented. The information in the present section is set out in the order in which the recommendations are presented in annex I to the report of the Board.

Table 18
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date not met*	*No target date*
Department of Administrative Support	9	–	–	9	7	2
Department of Education	2	–	1	1	1	–
Department of Finance	2	–	2	–	–	–
Department of Health	1	–	–	1	1	–
Department of Human Resources	2	–	2	–	–	–
Department of Internal Oversight Services	1	–	1	–	–	–
Department of Legal Affairs	1	–	1	–	–	–
Department of Planning	2	–	–	2	2	–
Executive Office	1	–	–	1	1	–
Microfinance Department	3	–	–	3	3	–
Multiple departments	3	–	–	3	2	1
Total	**27**	**–**	**7**	**20**	**17**	**3**

Report of the Board for the year ended 31 December 2012[39]

424. **In paragraph 82, UNRWA agreed with the Board's recommendation that it endeavour to the best of its ability to obtain relevant documents to substantiate the right to use buildings and plots of land.**

Department responsible:	Department of Legal Affairs
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

425. UNRWA launched an Agency-wide effort to obtain relevant documents. All concerned field offices have provided documentation and UNRWA considers that it has exhausted its means to obtain further documentation. The analysis of the available documentation for Jordan, Gaza and the West Bank is complete. Specifically for Gaza, UNRWA notes that most of the lands are *waqf* lands, and therefore, owing to political and operational considerations, UNRWA does not consider it advisable to pursue further efforts with the local authorities and other stakeholders to obtain additional information. UNRWA is awaiting final clarification with regard to Lebanon. In the Syrian Arab Republic, most of the UNRWA installations were constructed on camp lands appropriated by the Government of the Syrian Arab Republic. Because of the ongoing conflict, the Field Legal Office is not in a position to approach the Government on this matter. While UNRWA continues the effort to its best ability, in accordance with the Board's recommendation, to substantiate the right to use buildings and plots of land, consideration needs to be given to its limited resources and the inherent sensitivities in dealing with various authorities and the ongoing conflict in the Syrian Arab Republic. In the light of the efforts expended thus far, UNRWA requests that this recommendation be closed by the Board.

Report of the Board for the year ended 31 December 2015[40]

426. **In paragraph 40, UNRWA agreed with the Board's recommendation that it undertake a mapping exercise to identify and compile in a single document key internal controls for its business processes with reference to other documents providing detailed procedures.**

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

427. As part of the implementation of the enterprise resource planning system, an internal control assessment was undertaken specifically to address the roles, responsibilities and business functionalities embedded in the system.

428. On the basis of the internal control assessment, the "responsible, accountable, consulted, informed" (RACI) matrix was prepared. It sets out the segregation of duties in the system and assigns accountability to each role and the individuals

[39] A/68/5/Add.3, chap. II.
[40] A/69/5/Add.4, chap. II.

assigned to the role for all processes and modules of the REACH system. UNRWA will continue to consult with the Board regarding this recommendation and, if required, develop additional documentation to complement the existing control document and RACI matrix.

429. **In paragraph 75, the Board recommended that UNRWA: (a) improve coordination between the Procurement and Logistics Division and users at the field offices to ensure that all procurement requirements are identified and communicated to the Division at headquarters on a timely basis, to avoid the unnecessary shortening of the tender periods; (b) perform regular reviews of lead times and inventory balances to avoid emergency orders; and (c) review the grounds for waivers to ensure that they are consistent with current good practice.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

430. On part (a) of the recommendation, the Department of Health took the lead in the 2017 health commodities supply process. The following actions were taken:

(a) The Department conducted the annual quantification for an 18-month supply of essential medicine;

(b) The Department coordinated the release of the purchase request;

(c) The Procurement and Logistics Division consulted with the industry and placed the purchase order.

431. Regarding part (b) of the recommendation, information on the lead time for drugs for each field office is widely circulated. For the Gaza Strip, with the long-term agreements in place, it takes approximately 26 weeks from the placement of the purchase order to in-country customs clearance. Clarity on lead times is expected to prevent or limit emergency orders.

432. With respect to part (c) of the recommendation, the procurement manual has clear instructions concerning when waivers are permissible and when they should be used, as they represent best practice. Waivers are approved in accordance with the established procedures.

433. **In paragraph 93, the Board recommended that UNRWA: (a) establish a mechanism for mobilizing and uploading all vital project documents on the intranet on a regular basis; and (b) review the project process manual and specifically define the project officer responsible for maintaining and archiving all project documents in one location.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

434. The Board confirmed that part (a) of the recommendation had been implemented. With regard to part (b) of the recommendation, the project process

manual needed to be revised to reflect the new environment after the implementation of the REACH system. The project process manual is also linked to the new organizational directive No. 21, which has recently been finalized and submitted to the Board. Review of the project process manual is currently ongoing, subject to other priorities and the availability of resources.

635. **In paragraph 108, UNRWA agreed with the Board's recommendation that it: (a) establish steering committees for construction projects, as currently required by the project process manual, while waiting for the revised manual; and (b) review the project process manual and provide clear guidance on the establishment of project steering committees, including with regard to the composition of the committees and on the roles and responsibilities of their members, and guidance on the kinds of projects that require a steering committee.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

636. A strategic project management office is being established within the Department of Planning. The recruitment process is nearing completion and an interim head is already in place. The head of the office will be responsible for strengthening UNRWA project management systems, functions and structures, including for the management of construction projects, through the development and roll-out of tools such as the project process manual. UNRWA anticipates that this will be completed by the second quarter of 2018. The project process manual will include a focus on project governance structures and other oversight and control mechanisms to be in place throughout the project life cycle. It will also provide guidance on the establishment of project steering committees.

Report of the Board for the year ended 31 December 2014[21]

637. **In paragraph 23, the Board recommended that UNRWA: (a) liaise with United Nations Headquarters to obtain confirmation on the approach to be followed to settle its end-of-service liabilities; and (b) avoid decisions that increase these liabilities while its funding is still uncertain.**

Department responsible:	Department of Finance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

638. UNRWA continues to follow up with its donors and United Nations legislative bodies to seek funding to address the growing budget deficit, which in turn will help the Agency to make provision for the end-of-service liabilities. This is done in the context of the reports of the Working Group on the Financing of UNRWA as well as through the Agency's biennial budget submissions. Furthermore, in the first three months of 2017, a Steering Committee established by the Secretary-General carried

[21] A/70/5/Add.4, chap. II

out broad consultations with Member States and international financial institutions in order to explore all potential ways and means to ensure that the Agency's funding is sufficient, predictable and sustained for the duration of its mandate.

439. The report of the Secretary-General on the operations of UNRWA (A/71/849) provides a summary of the consultations and findings of the Steering Committee.

440. The UNRWA approach is not different from that of other United Nations agencies for which the end-of-service liabilities are not fully funded; the Agency's planning is currently limited to funding the yearly cash requirement only.

441. The UNRWA programme budget continues to be 97 per cent funded by voluntary contributions. In the past, efforts to have the end-of-service liabilities funded from the United Nations regular budget failed. There was a proposal in 1983 by the Working Group on the Financing of UNRWA that the Agency's contingent liability for termination indemnity to its staff (amounting to $59 million at the time), should UNRWA be forced to close down its operations, be assumed by the United Nations regular budget. However, it was also noted that this represented a financial risk to the United Nations and would be contrary to the principle of voluntary financing for operational activities in the United Nations system.

442. The matter of the unfunded severance liabilities is inherently tied to the nature of UNRWA and its temporary mandate. It is fully expected that when there is a sustainable political solution resolving the displacement of Palestine refugees, that solution will address, among other matters, the future of UNRWA activities, along with the dissolution of its assets and liabilities.

443. UNRWA is making all efforts to avoid decisions that negatively affect its end-of service liabilities. This is evidenced by its imposition of a salary freeze and its limitation of salary increases to only a few occupational groups over the last few years. Furthermore, UNRWA has taken a series of austerity measures, including voluntary early retirement schemes and reductions in class size, as part of the effort to reduce staff costs, all of which contribute to preventing end-of-service liabilities from increasing. However, in some exceptional cases, UNRWA management has had to make decisions consistent with the principles of fairness and equality in the application of policies.

444. **In paragraph 31, UNRWA agreed with the recommendations of the Board that it: (a) review its follow-up strategy to improve and strengthen its efforts to collect the long-outstanding value-added tax (VAT) arrears; and (b) review the collectability of the receivables and impair the value for amounts considered as uncollectable.**

Departments responsible:	Department of Legal Affairs and Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Ongoing

445. UNRWA continues to pursue its strategy for the recovery of VAT arrears, which is being led by senior members of the Department of Legal Affairs, the Department of Finance and the Executive Office. The efforts made by UNRWA include a recent letter to the Israeli authorities on reimbursement of Israeli VAT paid by UNRWA. Many other initiatives are being discussed with the relevant authority, including settlement to UNRWA and the possibility of an offset against its payables

to the Palestinian Authority. UNRWA has completed an assessment of the internal VAT provision policy, which has been documented in a memorandum submitted to the Board.

446. **In paragraph 35, the Board recommended that UNRWA develop a mechanism for tracking and quantifying the net savings from austerity measures at all levels of operation and evaluate their effectiveness.**

Department responsible:	Department of Finance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

447. UNRWA has advised the Board that the austerity measures were regularized in 2016. It therefore requests that this recommendation be considered as implemented and requests its closure by the Board.

448. **In paragraph 56, UNRWA agreed with the recommendation of the Board that it: (a) ensure that all service contracts are signed before service delivery to make them legally binding; and (b) conduct performance evaluations of previous services rendered before extending service contracts.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

449. With regard to this recommendation, see the comments of UNRWA in paragraph 357 above.

450. **In paragraph 70, UNRWA agreed with the recommendation of the Board that it: (a) ensure that field offices expedite the recruitment process for the vacant posts within the new structure and coordinate with the Department of Education at UNRWA headquarters on matters requiring headquarters decisions; and (b) expedite the finalization of the draft governance framework to support the implementation of the education reform strategy.**

Department responsible:	Department of Education
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

451. With regard to part (a) of the recommendation, the recruitment for vacant posts is nearly completed. With respect to part (b) of the recommendation, two significant Agency-wide developments took place in the past two years that meant that a stand-alone education governance framework was no longer required. Those developments were the revision, launched in 2017, of organizational directive No. 21 on programme and project cycle management, which sets out the level of authority and the key policies and standards for the implementation of all programmes (in section 3 on policies and standards), and the development of

specific departmental and field management compacts, which are signed annually by directors.

452. The education policies developed under the education reform that are applicable Agency-wide include: the teacher policy, the inclusive education policy, and the human rights, conflict resolution and tolerance policy. Furthermore, various strategies of the reform have been completed, including the school health strategy, the inclusive education strategy and the technical and vocational education and training strategy. The education technical instructions have been reviewed and are being updated. In addition to the above-mentioned instruments, in 2015 the Department of Education began issuing Agency-wide education planning norms and standards, which are central to the allocation of education resources across UNRWA. These are supplemented by annual class formation instructions, coordinated with the Departments of Finance, Planning and Human Resources.

453. **In paragraph 71, the Board recommended that UNRWA establish acceptable strategies to avoid Agency-wide effects resulting from the actions of the area staff union on the implementation of the teacher coordinators pilot project at other field offices.**

Department responsible:	Department of Education
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

454. The feasibility of this pilot project was in question given the Agency's financial constraints and the drive to reduce the overall teacher headcount. However, the pilot project has been implemented in the West Bank field office in the context of the 2016/17 class formation. The decision has been made to implement the pilot project in the other field offices and consideration has been given to the establishment of strategies to avoid area staff union actions. The technical details are being finalized; accordingly, recruitment for education staff will be undertaken in the context of the 2017/18 class formation.

455. **In paragraph 81, the Board recommended that UNRWA identify appropriate means and areas for waste disposal and consider the inclusion of waste management in the annual budget as a priority in order to facilitate the establishment of disposal facilities at the health centres.**

Department responsible:	Department of Health
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

456. Medical waste disposal and management is a major part of the consultancy study currently under way as part of the overall strategy related to environmental health. A plan will be developed for all camps once this detailed consultancy study is completed.

457. **In paragraph 87, the Board reiterated its previous audit recommendation that UNRWA expedite the planned initiatives to reduce the length of the recruitment process by improving coordination within the hiring departments.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

458. UNRWA has submitted to the Board the evidence of the recruitment reform implemented in 2017 to address this recommendation. UNRWA requests the closure of this recommendation.

Report of the Board for the year ended 31 December 2015[22]

459. **In paragraph 44, the Board recommended that UNRWA expedite the implementation of the electronic tendering software in all field offices and headquarters to ensure feedback is issued and communicated to unsuccessful suppliers, in order to enhance transparency in the procurement process.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

460. The electronic tendering software will not be rolled out to the field offices in 2017, as initially planned, until it can be integrated with the existing enterprise resource planning system, as it is not efficient to run two stand-alone systems. UNRWA will continue to inform the unsuccessful vendors in writing, or for contracts above $100,000, by uploading the award information onto the UNRWA website. A new solution will be put in place by the end of 2017.

461. **In paragraph 50, UNRWA agreed with the Board's recommendation that it: (a) strengthen coordination between procurement and user departments to ensure that all procurement requirements are identified in a timely manner and communicated to the Procurement and Logistics Division to avoid unnecessary shortening of the tender period; and (b) ensure that the Gaza field office performs an evaluation of suppliers' performance prior to the extension of long-term agreements and use the findings of the evaluation report as criteria for such extensions.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

462. Regarding part (a) of the recommendation, the Department of Health took the lead in the 2017 health commodities supply process. The following actions were taken:

[22] A/71/5/Add.4, chap. II.

(a) The Department conducted the annual quantification for an 18-month supply of essential medicine;

(b) The Department coordinated the release of the purchase request;

(c) The Procurement and Logistics Division consulted with the industry and placed the purchase order.

463. With respect to part (b) of the recommendation, while it is good practice to perform vendor performance evaluations to support the extension or renewal of contracts, unfortunately, owing to the inadequacy of the current information technology system and the fact that the Procurement and Logistics Division is heavily underresourced to meet such an expectation, this recommendation will be implemented when resources are available.

464. **In paragraph 53, UNRWA agreed with the Board's recommendation that it: (a) strengthen the Contract Management Unit to improve the level of follow-up with the vendors to minimize delays in the delivery of goods and services; (b) ensure that specific liquidated damages clauses are included in the contract and/or purchase orders; and (c) consider establishing a new coordination mechanism for UNRWA goods with the Israeli side through the Coordination of Government Activities in the Territories Department.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

465. With respect to part (a) of the recommendation, the submission by the Department of Administrative Support on the internal realignment of posts, which was not approved, will be resubmitted in 2017. In addition, two international posts in the Procurement and Logistics Division were abolished in 2017. Accordingly, the Contract Management Unit can only be adequately strengthened when optimal staffing resources are provided. With regard to part (b) of the recommendation, the Agency's rights to remedial action are covered under paragraph 15 of the document entitled "Remedies of UNRWA: non-waiver of rights of the UNRWA general conditions of contract for the provision of goods", which is a mandatory document attached to all UNRWA purchase orders and contracts for goods that clearly spells out the Agency's remedies, including liquidated damages; and under paragraph 5 of the general conditions for construction and infrastructure works. UNRWA reiterates that, as the Board may be aware and as described in relevant reports of the Secretary-General, a blockade continues to be imposed on the Gaza Strip which the United Nations considers to be in violation of international law. Access for construction and other materials is subject to a specific regime, namely the Gaza Reconstruction Mechanism, a tripartite agreement between Israel, the Palestinian Authority and the United Nations. UNRWA will follow up this matter and ensure corrective actions are taken, as appropriate, by the Gaza field office, taking into consideration the blockade and the tripartite agreement.

466. **In paragraph 63, UNRWA agreed with the Board's recommendation that it: (a) conduct performance evaluations and keep records for the engaged consultants and contractors; (b) expedite the process of policy review to formalize the performance evaluation of individual consultants and contractors; and (c) ensure that all hiring departments include measurable**

outputs and performance indicators in their terms of reference for monitoring and evaluation of results.

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

467. UNRWA has submitted to the Board a copy of the complementary personnel directive on the contracting of individual service providers, which contains provisions on the performance evaluation of individual consultants and contractors. This recommendation was reiterated in paragraph 142 of the report of the Board for the year ended 31 December 2016. The Board has agreed to test the implementation of the measures contained in the directive during its next audit, in 2018. UNRWA therefore requests the closure of this recommendation.

468. **In paragraph 68, UNRWA agreed with the Board's recommendation that it: (a) establish a separate store for medical supplies in the new building, to avoid mixing them with general supplies; and (b) install temperature regulators in the general store to facilitate proper drug storage management.**

Departments responsible:	Department of Administrative Support and Department of Health
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

469. Actions taken to implement part (a) of the recommendation include the rental of medical storage in Ashdod with controlled temperatures for utilization from mid-May to mid-October and the purchase and installation of another medical storage unit in Jerusalem. The construction of a refrigerated medical storage unit in Gaza had been delayed due to imposed restrictions. The issue of restrictions has been resolved and construction should be finalized by the end of December 2017.

470. Regarding part (b) of the recommendation, the installation of temperature regulators in the current store is not possible owing to the lack of thermo-insulation, the window design and the ventilation system. The store was initially designed as a general supply store for multiple purposes.

471. **In paragraph 80, UNRWA agreed with the Board's recommendation to develop an ICT strategy together with enterprise architecture and a road map to support the Agency's business objectives.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

472. The development of the ICT strategy has been completed. A copy has been submitted to the Information and Communications Technology Board for review and further comment.

473. **In paragraph 85, the Board recommended that UNRWA expedite the process of developing and implementing an information technology applications portfolio management framework for the proper management of the Agency's software applications.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

474. The finalization of the information technology applications portfolio management framework is linked to the ICT strategy, which is subject to formal approval by the Information and Communications Technology Board. The strategy is expected to be approved in the fourth quarter of 2017. The applications portfolio management framework is a key aspect of the strategy that aims to: (a) build in-house capacity for the long term, specifically in addressing all support and business issues with the enterprise resource planning system; and (b) encourage innovation from all sectors of UNRWA, including in the development of shadow information technology, which can co-exist with mainstream information technology, provided that a mature governance framework is in place and supported by all the stakeholders.

475. **In paragraph 93, the Board recommended that UNRWA conduct a post-implementation review of the enterprise resource planning project to identify key lessons learned for improvement in future projects.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2018

476. The Department of Information Management will conduct a review by collecting input from users and stakeholder groups to identify the major issues and sentiments related to the use of the REACH system. The outcome of this exercise will be discussed during the first quarter of 2018 to prepare for a more formal review in agreement with the Department of Internal Oversight Services during the latter part of 2018.

477. **In paragraph 102, the Board recommended that UNRWA: (a) expedite the implementation of the e-Health application to all health centres to enable real-time recording of stock consumption at the level of health centres; and (b) implement the interface between the e-Health application and the enterprise resource planning system to improve the quality of the financial reporting process for inventory.**

Departments responsible:	Department of Administrative Support and Department of Health
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

478. The roll-out plan for e-Health prepared by the Department of Health has been submitted to the Board as evidence of the plan to expedite the roll-out of the e-Health application to all health centres. The e-Health application has been rolled out to all clinics in the field, except 12 in the Syrian Arab Republic that are inaccessible owing to conflict and 5 in Jordan that are under construction and will be completed this year. The recording of the consumption of stock is already embedded in the system, and health centres can currently generate an online stock balance sheet for all medicines. In addition, health centres can utilize the stock demand note to forecast future medicine orders on the basis of the last two to three months' consumption. With respect to part (b) of the recommendation, the interface could be implemented, but other options may be required which are subject to the availability of funding. The pharmacy module in the e-Health application is not meant as a stock management tool. The stock demand note can be used to forecast three months' consumption and facilitate the quarterly stocktake. The interface between the e-Health application and the REACH system may not be the best use of the Agency's limited resources, taking into account cost-benefit considerations.

479. **In paragraph 114, UNRWA agreed with the Board's recommendation that it: (a) develop a comprehensive information security programme; (b) update its information security policy; and (c) develop an information security steering committee and assign accountability to ensure information security strategies are aligned with and support business objectives.**

Department responsible:	Department of Administrative Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

480. The UNRWA Information and Communications Technology Board, the steering committee overseeing information security strategies, has been established. UNRWA initiated a review of all information security issues in order to update the relevant programmes, including policies and required training.

481. **In paragraph 119, the Board recommended that UNRWA continue to improve the noted internal control deficiencies by expediting the implementation of Department of Internal Oversight Services recommendations, especially the high-risk recommendations.**

Department responsible:	Department of Internal Oversight Services
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

482. The Department of Internal Oversight Services has completed the reassessment of past audit recommendations and reassessed risk ratings in order to focus on key high risk areas, considering the limited resources available to departments to implement the measures needed to close the recommendations. The Department of Internal Oversight Services will continue to follow up on the recommendations with relevant departments. The reassessment contributed in part to the progress noted by the Board. UNRWA requests the closure of this recommendation.

483. **In paragraph 125, the Board recommended that the Microfinance Department: (a) ensure that verification officers monitor the application controls related to cashier functions and address issues of non-compliance to Department management on a regular basis; (b) reallocate the function of cancelling cash-received vouchers to a person other than the cashier, so as to ensure proper segregation of duties; (c) make sure that full justification for the cancellation reasons is preapproved by the branch manager and documented for future reference; and (d) ensure that full and detailed information and analysis are obtained and made for both client and guarantor.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

484. The Microfinance Department has increased the supervision role of branch managers and the Department of Finance with respect to the cashier functions and will continue to conduct training sessions for cashiers. The Microfinance Department is also reviewing the responsibility for the function of cancelling cash-received vouchers to ensure that all cancellations are in accordance with appropriate procedures and duly justified. The Microfinance Department considers that measures have been put in place and will urge the Board to confirm the implementation of this recommendation during its upcoming interim audit.

485. **In paragraph 126, the Board reiterated its previous recommendation that the Microfinance Department: (a) review and strengthen the loan granting process to ensure that operating manuals and established policies and procedures are followed in filling out the loan applications, in order to improve accuracy and consistency; (b) monitor the controls related to cashier functions and address non-compliance issues on a regular basis; (c) ensure proper maintenance of customers' files where all customers' guarantees and related documents are kept and updated; (d) improve project follow-up procedures (supervision and monitoring) to reduce risks of incorrect acceptance of credit decisions and decrease the risk of client default; and (e) ensure adherence to credit terms and conditions before the disbursement of loans.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

486. The Microfinance Department is committed to reducing inaccuracies in the filling out of loan application forms by increasing training sessions for loan officers and ensuring closer supervision by the area loan supervisors and branch managers.

487. **In paragraph 128, the Microfinance Department agreed with the Board's recommendation that the existing UNRWA user access forms be used to capture access requests in order to facilitate a clear understanding of user access requirements and document formal supervisor/manager approvals of requests for the audit trail and future reference.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

488. User access forms are already in use, with minor amendments, to meet the requirements of the Omni system and to capture all types of access requests. The access requests, with the necessary forms, are stored in a database built for this purpose for effective tracking. Any access to the system will follow the existing procedures, with periodic revision and verification by the management of the Microfinance Department. With regard to this recommendation, see also the comments of UNRWA in paragraph 483 above.

VIII. United Nations Institute for Training and Research

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[23]

489. The status of implementation of the recommendations of the Board as at August 2017 is summarized in tables 19 and 20 below.

Table 19
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	1	–	1	1	–
Operations Unit	2	1	1	1	–
Total	**3**	**1**	**2**	**2**	**–**

Table 20
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Office of the Executive Director	1	–	1	1	–
Operations Unit	3	1	2	2	–
Total	**4**	**1**	**3**	**3**	**–**

[23] A/72/5/Add.5, chap. II.

490. **In paragraph 21, the Board recommended that the United Nations Institute for Training and Research (UNITAR) update article VIII, paragraph 11, of its statute concerning the preparation of the annual financial statements.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

491. UNITAR will present revisions and updates of its statute for the review of the Finance Committee, which will then make a recommendation to the Board of Trustees in the annual meeting scheduled for November 2017.

492. **In paragraph 31, the Board recommended that UNITAR continue to further professionalize its Finance and Budget Section by offering continuous training to the Section staff.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

493. A programme to further strengthen the knowledge of accounting processes and improve the overall capacity of the team was developed and is being implemented. Periodical technical quizzes, based on internal training sessions and staff meetings, are issued to staff as a part of this programme. Three staff members of the Finance and Budget Section have been enrolled in the Chartered Institute of Public Finance and Accountancy. In addition, the Finance and Budget Officer has successfully completed the Association of Chartered Certified Accountants professional programme and another member of the team has passed all of the three foundation courses of the same professional programme.

494. **In paragraph 45, the Board recommended that UNITAR raise the awareness of donors of the importance that recruitment be in line with the United Nations policies on the general elimination of discrimination and that costs emerging from these policies be covered by the project funds.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

495. UNITAR will systematically propose to donors a budget component related to policies on the general elimination of discrimination in the recruitment of persons with disabilities.

496. **In paragraph 46, the Board recommended that UNITAR examine which measures are suitable to create a non-discriminatory and inclusive working environment.**

Department responsible: Operations Unit

Status: In progress

Priority: High

Target date: Second quarter of 2018

497. UNITAR will undertake a review of the existing practices at the United Nations Secretariat with a view to determining which measures can be taken to create a non-discriminatory and inclusive working environment. In addition, UNITAR will formally contact the manager of its building to address the issue of accessibility, add a specific paragraph on persons with disabilities in its vacancy announcements and appoint a disability focal point.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

498. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.5, chap. II), the Board provided a summary of the status of implementation of the recommendations for previous financial periods. In table 21 below, information is provided on the nine recommendations that were assessed by the Board as under implementation. The information in the present section is set out in the order in which the recommendations are presented in the annex to the report of the Board.

Table 21
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Operations Unit	7	5	2	2	–
Operations Unit and Department of Management (United Nations Secretariat)	1	–	1	1	–
Planning Performance and Results Section	1	–	1	1	–
Total	**9**	**5**	**4**	**4**	–

Report of the Board for the biennium ended 31 December 2013[24]

499. **In paragraph 34, the Board recommended that UNITAR consult with donors before disposing of the surplus of completed projects and use the funds of the ongoing projects in compliance with the requirements of the letter of agreement.**

Department responsible: Operations Unit

Status: Implemented

Priority: High

Target date: Not applicable

[24] A/69/5/Add.5, chap. II.

500. UNITAR now ensures that the surplus funds from completed projects are disposed of in accordance with contractual arrangements agreed with donors. Where the refund processes are unclear or are not stated in the agreements, UNITAR has introduced a process whereby a grant closure form is signed by UNITAR and the donors, addressing the residual balances after agreeing on the modality of dealing with their disposal. Given the size and nature of the Institute's business, residual funds are typically small or negligible toward the end of projects. For a few very old legacy projects (for which documents are not available and the activities of which were closed many years ago), the residual funds were transferred to the respective programmes for re-programming under the same programmatic objective. The review and closure of operationally completed projects and the refund of residual balances is now an ongoing process. In 2016, an amount of $94,000 was refunded to donors. As of July 2017, a total of 63 projects had been closed and $208,267 had been refunded to donors.

501. **In paragraph 37, the Board recommended that UNITAR comply with the requirements of the letters of agreement to submit financial reports to donors in a timely manner.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

502. UNITAR has revised its internal controls to ensure that financial reports are submitted to donors in a timely manner, as specified in the letters of agreement. The UNITAR project tracking tool for the management of agreements signed with donors has been enhanced and the reporting reminder system has been rolled out to improve control over donor reporting obligations. Although the project tracking tool is the primary monitoring control with respect to the timeliness of reports, projects frequently undergo amendments with no-cost extensions that require the due dates for financial reports to be amended on the tracking tool. UNITAR is working on strengthening the tracking tool so that information on due dates, follow-ups or monitoring of reports is more accurate. UNITAR is also developing new controls and reports in the Atlas system, which will provide proactive alerts for project closure and preparation of the required reports.

Report of the Board for the year ended 31 December 2014[25]

503. **In paragraph 23, the Board recommended that a proper system for timely reconciliation of the UNDP Project Clearing Account be put in place so that any discrepancy in the account can be addressed before the finalization of the financial statements.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

[25] A/70/5/Add.5, chap. II.

504. The UNDP Project Clearing Account was reconciled and the outstanding balances were received by UNITAR from UNDP in 2017. UNDP released a new online account reconciliation system that now facilitates quarterly reconciliations of both the UNDP Project Clearing Account and the UNDP Service Clearing Account.

505. **In paragraph 28, the Board recommended that a system be put in place to ensure the timely financial closure of projects.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

506. A clean-up of data arising from the migration from the legacy system to the Atlas system was done in 2017 and reconciliations of accounts for most projects were completed. A total of 63 projects were subsequently financially closed. In addition, UNITAR developed new controls and reports in the Atlas system that provide proactive alerts for project closure dates.

507. **In paragraph 32, the Board recommended that all financial reports be finalized in a time-bound manner.**

Department responsible:	Operations Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

508. UNITAR is working on strengthening the processes for updating information on the project tracking tool so that the information on due dates, follow-ups and monitoring of reports is more accurate. UNITAR is simultaneously developing new controls and reports in ATLAS that will provide proactive alerts for project end dates and the preparation of final financial reports in a timely manner.

509. **In paragraph 36, the Board recommended that a mechanism be instituted to monitor and settle refunds due to donors.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	High
Target date:	Not applicable

510. UNITAR has developed a tool for undertaking a monthly review of its project portfolio. The financial closure of operationally completed projects and the refund process are now done on an ongoing basis. In 2016, an amount of $94,000 was refunded to donors. As of July 2017, a total of 63 projects had been closed and $208,267 had been refunded to donors.

Report of the Board for the year ended 31 December 2015[26]

511. **In paragraph 20, the Board recommended that the United Nations Secretariat consult the Office of Legal Affairs to confirm that the delegations made by the Controller were in conformity with the requirements of the UNITAR statute and the Financial Regulations and Rules of the United Nations.**

Departments responsible:	Operations Unit and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

512. The Office of the Controller has consulted with the Office of Legal Affairs and, based on the legal advice provided, the Controller will soon send a letter to the UNDP Treasurer advising that the delegation of authority that was previously granted by the Controller is not the appropriate modality to accomplish the arrangement envisaged, but that it is addressed in the service level agreement for the custody of cash and investments between UNITAR and UNDP dated 1 July 2015.

513. **In paragraph 41, the Board recommended that UNITAR develop a standard format for reporting project budgets, including details on variances from forecast levels of expense.**

Department responsible:	Operations Unit
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

514. In 2017, standard budgeting formats were developed and implemented. Annual and multi-year project budgeting exercises have been completed across all major programme areas and information has been entered in the Atlas system.

515. **In paragraph 45, the Board recommended that UNITAR establish an entity-level risk register to identify and manage risks outside the scope of its current project risk management.**

Department responsible:	Planning Performance and Results Section
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

516. UNITAR is in the process of developing appropriate policies and practices for enterprise risk management. UNITAR continues to review entity-level risk registers that would be fit-for-purpose given the Institute's size, scope of activities and available funding.

[26] A/71/5/Add.5, chap. II.

IX. Voluntary funds administered by the United Nations High Commissioner for Refugees

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[27]

517. The status of implementation of the recommendations as at August 2017 is summarized in tables 22 and 23 below.

Table 22
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	3	–	–	3	3	–
Division of Financial and Administrative Management	4	–	–	4	4	–
Regional bureaux	3	–	–	3	3	–
Total	**10**	**–**	**–**	**10**	**10**	**–**

Table 23
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	3	–	–	3	3	–
Division of Financial and Administrative Management	10		–	10	10	–
Regional bureaux	4	–	–	4	4	–
Total	**17**	**–**	**–**	**17**	**17**	**–**

518. **In paragraph 25, the Board encouraged the Office of the United Nations High Commissioner for Refugees (UNHCR) to further explore and implement measures to reduce the scope of manual work steps for distinguishing between current and non-current contributions receivable. The Board recommended improved utilization of the data that is available in the Managing Systems, Resources and People (MSRP) system.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: First quarter of 2018

[27] A/72/5/Add.6, chap. II.

519. This recommendation is being addressed through the implementation of the upgraded MSRP system. Since May 2017, the due dates of pledged contributions have been transferred automatically to the accounts receivable sub-module of MSRP without manual intervention. As a second step, UNHCR intends to simplify the receivables schedule so that it can be produced directly from MSRP.

520. **In paragraph 32, the Board recommended that UNHCR liaise with the Copenhagen warehouse management to review the appropriateness of the procedures applied and the actual handling of shipping documents for items owned by UNHCR and stored at the warehouse in Copenhagen. The procedures used for shipping documents should be harmonized at the seven global warehouses. The local context (including local requirements) should be adequately addressed when harmonizing the procedures.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

521. UNHCR is establishing a process that addresses the control weakness identified by the Board. An acceptable solution for the handling of the shipping documents is being developed in consultation with the external warehouse manager in Copenhagen.

522. **In paragraph 39, the Board recommended that country operations determine the number and types of vehicles needed to meet operational needs and document the underlying assumptions and how country operations arrived at their estimates. In case country operations need assistance with respect to an accepted methodology to estimate the number and types of vehicles needed for the operation, the Board encouraged them to liaise with the Asset and Fleet Management Section at headquarters for advice or additional guidance.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

523. UNHCR has already issued guidance on fleet planning as part of the administrative instruction on 2016 year-end closing regarding property, plant and equipment and global fleet management planning. UNHCR is currently working with a consultant to develop a fleet-sizing tool, and a checklist on fleet-sizing is also being developed. These tools are expected to be made available for the 2018 detailed budgeting exercise.

524. **In paragraph 43, the Board recommended that UNHCR establish a process to actively monitor the status of assets under construction. When construction projects are finalized and assets are in service, a process should be available to ensure that these assets are recorded in the asset management module and that depreciation starts.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

525. UNHCR is reviewing the process related to the recording of assets under construction to ensure that such assets are recorded in the system in a timely and accurate manner.

526. **In paragraph 48, the Board recommended that UNHCR establish control procedures to identify the point in time when intangible assets are no longer "under development" and become subject to amortization.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

527. UNHCR will enhance its internal information flows to ensure that any change in the status of assets under development is promptly captured and properly reflected in the accounts.

528. **In paragraph 52, the Board recommended that UNHCR establish a process to reliably identify the internal staff costs related to the development of proGres (and other internally developed software) and capitalize such costs where appropriate.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

529. UNHCR will design a process to identify, capture and, where appropriate, capitalize internal staff costs for intangible assets under development. The process will be applied to all approved information technology projects, based on the capitalization threshold. The new practice is expected to be fully deployed in the financial year 2018 for all relevant development projects.

530. **In paragraph 59, the Board recommended that UNHCR consider the possibility of long-term investments to cover risk-adequate financing of after-service health insurance liabilities.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

531. UNHCR has agreed to review and assess the investment risk measurement for after-service health insurance reserves. The objective is to devise an investment strategy to match the asset allocations with the liability profiles identified through an actuarial evaluation study. In July 2017, UNHCR launched a request for proposal to select a vendor to carry out an actuarial study for this purpose. Inter-agency collaboration is also being explored, while taking into account the specific liability profiles and funding plan of UNHCR for after-service health insurance.

532. **In paragraph 71, the Board recommended that UNHCR pay close attention to the fact that high quality reviews and verifications of partner's financial reports are essential to control the implementing partnership expenses when implementing key recommendations of the headquarters review.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

533. UNHCR will continue to strive to achieve high quality reviews and verifications of partners' financial reports in order to obtain adequate assurance concerning expenses incurred by partners. UNHCR cautions, however, against constraining the implementation of the recommendations of the headquarters review this early in the process, given the depth and scope of the recommendations.

534. **In paragraph 76, the Board recommended that UNHCR review certain templates related to partnerships, such as agreements, project descriptions, project workplans, monitoring plans and project risk registers/catalogues, and assess if they might be enhanced to enable country operations to use them in a more consistent way and, where appropriate, with less duplication of information.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

535. UNHCR accepts that there is scope for simplifying and streamlining documents and templates related to partnerships. UNHCR will continue to review and enhance the framework for implementing with partners, taking into consideration such aspects as operational flexibility and partners' accountability. UNHCR is committed to pursuing further refinement of its tools to minimize

manual processing and eliminate inconsistencies or duplications between the partnership agreements and other related templates.

536. In relation to the management of partnerships, and in light of the ongoing headquarters review and its outcomes, UNHCR believes that the key need at this point is to define the level of acceptable risk rather than building additional safeguards in existing processes.

537. **In paragraph 81, the Board recommended that country operations ensure coherent risk assessments within operations and regularly review the quality of the risk assessments for individual project partnership agreements. The risk assessment template recently provided by the Implementing Partner Management Service could support such exercises.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

538. The country operations, under the supervision of the regional bureaux and with the technical support of the relevant divisions, will be urged to continue to take steps to improve the quality of risk assessments conducted under the project partnership agreements, giving due consideration to using the templates made available by headquarters.

539. **In paragraph 87, the Board reiterated its previous recommendation and encouraged country operations to enhance the quality of their monitoring activities for project partnership agreements and pay greater attention to developing risk-based monitoring plans for individual agreements and overall monitoring plans covering all project partnership agreements in an operation. The Board also advised that these plans specifically consider the risk of fraud and enhance checks to ensure accountability for the use of assets.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

540. With regard to this recommendation, see the comments of UNHCR contained in paragraph 538 above. In performing the monitoring exercise, the operations will be advised to pay particular attention to accountability over the use of assets entrusted to partners and to fraud risks. This recommendation will be addressed in conjunction with the recommendation in paragraph 83 of the Board's report for the year ended 31 December 2014 (see paras. 612 and 613 below).

541. **In paragraph 88, the Board recommended that management in country operations and the regional bureaux regularly review the quality of the financial and performance monitoring for projects implemented with partners.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

542. As part of the enhanced framework for implementing with partners, the monitoring of the financial aspects of project management has been closely linked to the monitoring of the performance aspects in order to obtain a comprehensive view over the resources used to achieve expected deliverables, as specified in the agreements. It is to be noted that monitoring and reporting to the senior management of the country operations is carried out by multifunctional teams. The country operations, under the supervision of the bureaux and with the technical support of the Division of Financial and Administrative Managements and other relevant divisions, will periodically review a sample of the monitoring reports and will use the lessons learned to further guide and enhance the process. Consideration will be given to introducing any process changes in a manner that is consistent with the annual operational cycle in order to avoid any disruption.

543. **In paragraph 96, the Board recommended that UNHCR review and, where appropriate, clarify the country standard operating procedures for cash-based interventions with regard to the disbursement term of seasonal support. It should be made clear that the support can be granted as monthly payments but that other payment terms such as one-off payments are also possible. In addition, the Board recommended that criteria be specified and documented by mentioning cases in which different terms of payment are preferable. These criteria might include consideration of different contexts country operations might face.**

Department responsible:	Regional Bureau for the Middle East and North Africa
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

544. The regional bureaux will work with those country operations involved in the cash-based interventions programmes to adjust the country standard operating procedures in order to clearly reflect various aspects of managing the seasonal support.

545. **In paragraph 97, the Board recommended that UNHCR establish clear procedures when country operations want to deviate from their standard operating procedures or have an interpretation that is not covered by the wording of the standard operating procedures. The procedures need to provide for delegation of authority and formal documentation specifications.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

546. UNHCR is in the process of preparing a revised administrative instruction regarding the financial management of the cash-based interventions. The instruction will include a provision requesting the country offices to document any deviation from the established standard operating procedures and ensure that such deviation is authorized by the appropriate delegated authority. While it is working on improving existing processes and controls, UNHCR is seeking to achieve a balance between simplifying these processes and controls and allowing country operations to retain the flexibility to address their operational needs in a timely and efficient manner.

547. **In paragraph 100, the Board recommended that UNHCR ensure the correct use of the new bank charges accounts and indicated that it intended to follow up on the correct allocation and disclosure of cash-based intervention bank charges in the work of the next financial year.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

548. UNHCR confirms that new ledger accounts for the bank charges related to the cash-based intervention transactions have been used from the beginning of the fiscal year 2017. UNHCR closely monitors the consistent recording of this category of expenses and takes corrective actions when deviations are detected.

549. **In paragraph 105, the Board recommended that UNHCR document good practices and lessons learned from the MSRP upgrade project and, where appropriate, use them for other information technology projects. The Board expected this exercise to assist UNHCR in managing its projects in a more efficient way.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

550. UNHCR will document the good practices and lessons learned from the MSRP upgrade project in the project closure report. The report will also document project highlights, as well as issues, challenges and follow-up actions. UNHCR will review the good practices and lessons learned from the MSRP upgrade project closure report and, where appropriate, apply them to other information technology projects.

551. **In paragraph 113, the Board recommended that country operations monitor non-purchase-order purchases on a regular basis and assess if further efficiency gains could be realized by compiling individual non-purchase-order purchases into framework agreements. The Board also advised that headquarters divisions liaise with country operations to explore how the monitoring of and oversight of non-purchase-order purchases could be facilitated.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Third quarter of 2018

552. UNHCR will introduce additional processes to closely monitor the level of non-purchase-order expenditures.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

553. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.6, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. The overall situation as at August 2017 regarding the 28 recommendations that were assessed by the Board as under implementation is summarized in table 24. The information in the present section is set out in the order in which the recommendations are presented in the annex to the report of the Board.

Table 24
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	4	–	–	4	4	–
Division of Financial and Administrative Management	9	–	–	9	9	–
Division of Programme Support and Management	10	–	–	10	10	–
Division of Human Resources Management	1	–	–	1	1	–
Enterprise Risk Management Unit	2	–	–	2	2	–
Evaluation Service	2	–	–	2	2	–
Total	**28**	**–**	**–**	**28**	**28**	**–**

Report of the Board for the year ended 31 December 2015[28]

554. **In paragraph 14, the Board recommended that UNHCR develop a set of processes, tools and reports that could be applied at the field level to enhance the financial management of programme budgets and expenditure. This should include stronger links between finance and programme staff in the field through joint analysis and review processes.**

[28] A/71/5/Add.6, chap. II.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

555. UNHCR is addressing this recommendation through actions that are ongoing in the following three areas:

(a) Clarification of the administrative/finance and programme roles in order to reinforce collaboration and the complementarity of these roles. UNHCR is developing measures to enable administrative/finance staff to play an established role in supporting programme colleagues in carrying out their responsibility for managing programme budgets, including through the joint review of country budgets and expenditures so as to maximize the effectiveness and efficiency of UNHCR programming;

(b) Mapping of the available tools to be used in analysis and reporting. The recent deployment of the upgraded enterprise resource planning system, MSRP, will contribute to the strengthening of financial management. The reports and analysis used in the review of country budgets and expenditures will allow programme staff to relate budgets and expenditures to achievements, taking into account operational projections, to decide on the necessary resource reallocations. For example, three new real-time analysis reports are actively used by finance and programme staff which allow detailed verification to ensure that structural budget changes have been captured correctly;

(c) Development of training materials and conducting training and outreach activities to strengthen the financial management component of programme budgets and expenditure.

556. **In paragraph 24, the Board recommended that UNHCR ensure that the global fleet management strategy is communicated consistently across country and regional offices, and that checks are carried out to ensure that its application across all offices represents best value.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

557. In prior years, UNHCR had engaged a research institute to conduct an independent assessment of the implementation of the global fleet management strategy. The study determined measures to assess the benefits of the strategy, such as fleet size, average fleet age and procurement costs, where reductions had been achieved as a result of the implementation of the strategy. UNHCR updates the assessment of these benefits annually using the same metrics and has commissioned the same research institute to continue to monitor and analyse the results and benefits of the implementation of the strategy. The latest report issued by the institute, for the years 2015 and 2016, concluded that UNHCR had obtained a better overview of its entire fleet and increased transparency by managing the fleet requirements and asset disposals centrally in Budapest and shipping vehicles through hubs. Flexibility was enhanced through the pipeline and hub warehouse

stock, which allowed vehicles to be easily reattributed to a different order. Overall control of the total light vehicle fleet has been substantially improved.

558. UNHCR is preparing the terms of reference for an independent evaluation of the implementation of the global fleet management strategy. The overall objective of the evaluation is to assess whether the strategy provides UNHCR field offices and operations with appropriate, cost-effective and safe vehicles and professional fleet management services to support optimum programme delivery.

559. **In paragraph 55, the Board recommended that risk registers be reviewed on at least a quarterly basis as a standing item at senior management meetings. Country office representatives should take a cyclical approach to scrutinizing risks and their mitigation to ensure that the risk process is fully embedded in local business processes and utilized in the development of country office plans.**

Department responsible:	Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

560. At the request of UNHCR, the Internal Audit Division of the Office of Internal Oversight Services is conducting a management advisory review on the implementation of enterprise risk management in UNHCR. The advisory review is expected to be issued in the third quarter of 2017 and will inform the review of the enterprise risk management framework. In view of the ongoing revision of the international standard on risk management (ISO 31000), the framework review will be postponed to accommodate any changes that may arise from the revision of the international standard.

561. Furthermore, since January 2017, the Internal Audit Division has been doing systematic risk management assurance through its review of risk management practices in field operations.

562. **In paragraph 56, the Board recommended that greater attention be given to the status and quality of mitigating actions in country office risk registers to ensure they are realistic, complete and updated. The Board recommended that the bureaux develop their review processes to provide more regular and formal feedback on the quality of mitigating actions and utilize them as part of country plan considerations.**

Department responsible:	Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

563. Building on the findings of the management advisory review being conducted by the Office of Internal Oversight Services, the Enterprise Risk Management Unit will work closely with the regional bureaux to: (a) better calibrate the support to field operations, including in the area of training; and (b) improve risk-based review monitoring processes within the regional bureaux. The work is expected to lead to an improved annual risk review in the fourth quarter of 2017.

564. **In paragraph 63, the Board recommended that, following the results of a verification exercise, UNHCR headquarters and regional teams assess the impact, if any, on resourcing requirements in the relevant operation and for other operations in the region, to assess where the extra resources should be deployed.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

565. UNHCR has refined its verification process and introduced reporting templates for the verification exercises, which have contributed to improving the results of the verification exercises. UNHCR continues to strengthen relationships with regional registration networks as well as the relevant bureaux, particularly the Regional Bureau for Africa, to enhance communication about planning and resources for verification exercises. A working group has been established to systematically review the results of the verifications of the population figures at each stage of the planning. In addition, UNHCR will undertake periodic consultations with the bureaux on the implications of changes in the size of populations identified as a result of the verification exercises, during the planning year and the implementation period.

566. **In paragraph 65, the Board recommended that UNHCR headquarters develop a formal reporting mechanism on the frequency and comprehensiveness of verification exercises, enabling it to obtain assurance as to the accuracy of the data regarding its existing population of concern, and provide a stronger link between the results and the deployment of resources.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

567. As of the second quarter of 2017, UNHCR had finalized the design of the reporting template, including indicators for monitoring several components of the verification exercises. A repository of verification exercise planning and final reports has been created on a common platform (SharePoint) which is accessible by all senior regional registration officers in the field. The verification exercise reporting templates have been shared with the Regional Bureau for Africa (as the main source of verification activities in the field) for feedback. The data quality component of the reporting template was tested in one field office in April 2017, but the complete template will still require additional testing prior to its dissemination and the provision of instruction on its use.

568. **In paragraph 73, the Board recommended that UNHCR headquarters, as a matter of urgency, implement a benefits realization process for the biometric identity management system (BIMS), and use it to determine whether the roll-out of BIMS should continue and provide an evidence base to support management decisions on future investment.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

569. UNHCR developed a methodology to quantify the benefits realized from the implementation and ongoing use of BIMS across operations. The methodology provides a useful tool for operations to track and monitor their own BIMS implementation, helps UNHCR make the best use of limited resources for assistance and protection and identifies specific areas that could potentially strengthen the UNHCR identity management response.

570. In order to benchmark and quantify benefits realization, UNHCR has identified 14 types of refugee processing interactions in each operation that need to be reviewed, with 20 indicators for monitoring implementation. The implementation monitoring methodology has been tested in five country operations, and the results are being used to improve the process.

571. Each of the operations surveyed realized benefits that were attributable to the implementation and ongoing use of BIMS in one or more of the following areas:

(a) Improvement of population statistics, data integrity and programming;

(b) Enhancement of identification and prevention of fraud;

(c) Improvement of operational efficiencies in the provision of protection services;

(d) Building of identity management capability in partners;

(e) Building of confidence in identity over time;

(f) Establishment and preservation of identities across UNHCR operations globally.

572. Additional functionalities for BIMS are being developed to allow for automated queries and reporting tools. These will identify data to measure the benefits of BIMS in mitigating multiple registration, preventing internal and external fraud, and tracking and better understanding onward movements identified by BIMS.

573. **In paragraph 81, the Board recommended that UNHCR monitor the extent to which budgets reflect the needs as assessed for future plans. In doing so, it should provide greater challenge on discrepancies to ensure that figures remain credible.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

574. To further strengthen the review of the needs assessment for future plans and the extent to which they are reflected in budget figures, UNHCR issued in February 2017 an updated guidance note on budgeting, which stipulated the key elements that

operations must submit along with their operations plan and associated budget for 2018-2019. The key elements included clear operational planning figures based on a comprehensive needs assessment for the persons of concern within the operation, taking into account the anticipated operational context and what is realistically achievable within a 12-month time frame in terms of the capacity of UNHCR and the capacity that could reasonably be expected to be mobilized through funded partnerships or by sharing responsibility with partners. Hence, the key operational planning parameters that are explained thoroughly in the guidance note include clear planning figures, realistically achievable within 12 months, sharing responsibility with partners, assessed needs of the persons of concern and best use of available resources.

575. **In paragraph 85, the Board recommended that UNHCR review the role of the bureaux to ensure that activities are aligned with and complement other headquarters efforts and that the bureaux sufficiently support countries in applying more formal and evidenced aspects of headquarters scrutiny to the plans prior to submission.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

576. UNHCR has developed a draft policy and procedures for resource planning and management, which introduces changes to the existing resource allocation framework. The new policy encompasses, among other things, modifications to the annual planning, review and approval processes that aim at improvement in the quality of the submissions and increased efficiency in the review and approval processes.

577. In addition, at the end of 2016, UNHCR underwent a headquarters review, as a result of which recommendations were issued with respect to the relationship of bureaux with headquarters entities.

578. **In paragraph 88, the Board recommended that UNHCR: (a) assess whether the level of scrutiny applied during its annual budget process is at an appropriate level, and in doing so determine the costs involved at all stages of preparation; and (b) assess the merits of a multi-year planning approach to resource allocation decisions, as well as other models such as targeted "deep dives" for the highest-risk operations, and assess where these approaches should be rolled out further and where a lighter touch can be applied.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

579. The multi-year, multi-partner approach has been endorsed by the senior executive team and is now being rolled out to 22 operations. A broader implementation of the multi-year approach, including budgeting, resource mobilization, partnerships and systems/tools is currently under review. The multi-year approach

of UNHCR to planning and resource allocation has been included in the policy for resource planning management expected to be published shortly. The strategy provides for the evolution of resource requirements, which includes changes in specific staff profiles, field structures and resources required as a consequence of the implementation of the strategic objectives. The multi-year, multi-partner approach provides a mechanism that will allow UNHCR to plan and programme its contribution to the comprehensive refugee response framework and to effectively engage with key development actors. Accordingly, the operations that are part of the expansion of the multi-year, multi-partner approach were selected taking into account whether they were involved in the development of the comprehensive refugee response framework and/or a recipient of the International Development Association's $2 billion sub-window put in place by the World Bank to support refugees and their hosts.

580. **In paragraph 93, the Board recommended that UNHCR systematically allocate sufficient resources to expand its evaluation coverage of field programmes against agreed risk criteria so as to improve the evidence base for resource allocation.**

Department responsible:	Evaluation Service
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

581. The new evaluation policy was issued in October 2016, and steps are being taken to prepare a multi-year evaluation workplan, which will form the basis for a decision to ensure a firm funding base for planned evaluations. UNHCR is also reviewing the feasibility of building a more risk-based approach for the selection of evaluation topics, including for field/country operations. In addition, systematic tracking of expenditure on evaluations across the organization (including for decentralized evaluation) has been pursued since January 2017.

582. **In paragraph 98, the Board recommended that UNHCR and country operations improve the design of efficiency activities, such as restructuring, to enable their impact to be measured and to allow for better decision-making for resource allocation.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

583. UNHCR has issued an administrative instruction on annual planning, budgeting and reporting, through which it has entrusted its directors and country representatives with the responsibility of ensuring that all operations are carried out in an effective and efficient manner. In March 2017, UNHCR reviewed its progress toward implementing its commitments under the "grand bargain" on humanitarian financing, and some of the commitments made by UNHCR at the World Humanitarian Summit aimed at promoting efficiency. A comparative review of the five biggest African operations was concluded earlier this year and submitted to the Regional Bureau for Africa. The review provided an overview of the staffing of the

operations and an indication of which operations may be more heavily staffed than others, which could assist the Bureau in initiating specific adjustments as part of the annual programme review process. Furthermore, UNHCR conducted a number of other reviews in 2016 and 2017, including the newly devised structural diagnostic review.

584. **In paragraph 102, the Board recommended that greater scrutiny be applied to programme support costs both at headquarters and within operations and that UNHCR review operations where support costs cannot be reasonably justified.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

585. Support costs are regularly and routinely reviewed when annual country plans and budgets are submitted to headquarters. The upcoming policy and procedures for resource planning and management and the guidance thereon will explicitly address staff administration costs and operating costs as key elements to be checked and explained in the submission of the operations plans.

586. **In paragraph 104, the Board recommended that UNHCR headquarters identify which operations had reduced their costs and/or per capita spending and provide a platform for those operations to share their experience.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

587. This recommendation is addressed in paragraphs 589 and 590 below.

588. **In paragraph 106, the Board recommended that UNHCR further scrutinize the cost drivers and value for money for items of significant expenditure. In doing so, it should assess the opportunities for efficiencies to be found in the way they are delivered.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

589. UNHCR continues to improve in the area of efficiency. A working group composed of representatives from the relevant divisions has been established to develop guidance for operations and headquarters to enable them to systematically analyse and report on cost-effectiveness and value-for-money practices.

590. As part of this work, UNHCR will also address the need to develop guidance for identification and analysis of cost drivers in various fields of activity (such as education and health) and their impact on obtaining best value for money.

Report of the Board for the year ended 31 December 2014[29]

591. **In paragraph 12, the Board recommended that UNHCR work with donors to improve the profiling of resources during the year to facilitate better forecasting in order to minimize large year-end fluctuations and smooth procurement flows.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

592. UNHCR continues to work with donors to increase the predictability of funding and promote better forecasting through various measures previously communicated to the Board. Despite the occurrence of new emergencies, forecasting of donor contributions has become increasingly accurate in the last few years and the timing of contributions has further improved in 2016.

593. At the same time, UNHCR will continue to take steps to improve procurement planning and spending flows to reduce the year-end peaks.

594. **In paragraph 18, the Board recommended that, as management implements the global fleet management strategy for the period 2014-2018, it ensure that it collects the most appropriate metrics and data to assess and demonstrate the realization of the planned benefits as early as possible.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

595. UNHCR will take the same actions to address this recommendation as those to be taken in response to paragraph 24 of the Board's report for the year ended 31 December 2015 (see paras. 557 and 558 above).

596. **In paragraph 31, the Board recommended that UNHCR establish a clear time frame to finalize the fraud risk assessments and mitigation plans for the most significant risks identified in the fraud prevention project. Furthermore, risk assessments should be used to inform the design of processes within the MSRP upgrade and of structured training for key staff in high-risk areas. The analysis should also be used to inform planning assessments carried out by the Office of Internal Oversight Services and the Inspector-General.**

[29] A/70/5/Add.6, chap. II.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

597. UNHCR successfully launched the e-learning course on fundamentals of fraud and corruption awareness in December 2016 on the occasion of the International Anti-Corruption Day to increase fraud and corruption awareness across the organization.

598. The UNHCR fraud prevention project will be finalized by the third quarter of 2017 with the expected issuance of the fraud prevention manual. The manual is intended to serve as a reference guide for staff and other parties having a contractual relationship with UNCHR and provide guidance on identifying fraud warning signs, taking adequate prevention and mitigation measures and conducting fraud risk assessment, as well as an inventory of the relevant policies and procedures that should be applied in this respect.

599. **In paragraph 52, the Board recommended that: (a) funded overhead costs of international implementing partners included in partner agreements be reclassified as administrative costs in the disclosures in the financial statements; and (b) management review its scrutiny of administrative costs within the budgets of implementing partners to provide better evidence as to how UNHCR achieves value for money from those agreements.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

600. Part (a) of the recommendation has been assessed as implemented in previous years. In response to part (b) of the recommendation, UNHCR will continue to strengthen the process of reviewing partnership expenses, particularly the identification of further issues related to administrative costs, in order to provide advice to field operations on the management of such costs. Furthermore, partner personnel costs, which constitute a substantial amount of the overall budget under partnership agreements, have been thoroughly reviewed, and an improved approach for determining the UNHCR contribution towards partner personnel costs has been adopted and applied since the beginning of 2017, with the issuance of a policy on implementing partner personnel costs.

601. **In paragraph 55, the Board recommended that management further develop the annual programme review process to build in a consistent framework to demonstrate the efficiency challenges to programme budgets and to record and summarize the key efficiency outcomes.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

602. UNHCR has taken action to further strengthen its analysis capacity by designing and implementing an improved analysis framework in the context of the annual programme review. While the policy on resource planning and management is still under review, certain of the foreseen changes with regard to the annual planning review process have already been implemented in 2017. These include modifications to achieve improvements in the quality of the submissions and increased efficiency of the review and approval processes. The revised policy is under discussion by the senior executive team for final deliberation and approval.

603. **In paragraph 59, the Board recommended that UNHCR, within the scrutiny process, build in an assessment to review country office variances to define metrics by which to assess country plans, including expenditure per refugee per programme; unmet variances in budgetary requirements; and instances of underspending and overspending compared with the outcomes achieved.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

604. UNHCR has in place separate and complementary processes to review its budget. Costs are regularly and routinely reviewed when annual country plans are submitted to headquarters. Cost per capita analysis is also performed when budget changes are requested, in order to analyse the impact of such changes. Instances of overspending and underspending in relation to the outcomes achieved are also reviewed, including an analysis of expenditure variances. In addition, reviews are done at different levels, such as the level of an individual operation or theme (such as protection), the regional level or the level of multi-year programmes.

605. **In paragraph 68, the Board recommended that UNHCR review the existing scrutiny process, as there was an opportunity to further challenge and document the cost-effectiveness of proposed interventions at the headquarters level. In doing so, UNHCR should review opportunities to include performance metrics that enable cost-effectiveness to be measured.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

606. UNHCR continues to improve in the area of efficiency. A working group composed of representatives from the relevant divisions has been established to develop guidance for operations and headquarters to enable them to systematically analyse and report on cost-effectiveness and value-for-money practices. As part of this work, UNHCR will also address the need to develop guidance for identification and analysis of cost drivers in various fields of activity and their impact on obtaining the best value for money.

607. Additional information on this initiative is included in the comments of UNHCR in paragraphs 589 and 590 above and 612 and 613 below.

608. **In paragraph 82, the Board supported the plans of UNHCR to use its Focus system to better link costs and outcomes in each of its business sectors. The Board indicated that UNHCR needed to take a tougher, clearer stance on the importance of information on costs and service performance, particularly on linkages between enrolment in education, delivery and retention, and the impact of achieving good-quality educational qualifications, noting that without such information, fully informed judgments on the value for money achieved, or the cost-effective targeting of assistance, were not possible.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

609. While UNHCR operations carefully review linkages between costs and outcomes, UNHCR is improving its approach to choosing the most effective combination of outputs to achieve maximum impact and ensuring that the identified outputs are executed in the most cost-efficient manner.

610. Those issues will be included in the deliberations of the working group referred to in the comments of UNHCR in paragraph 606 above.

611. **In paragraph 83, the Board recommended that UNHCR headquarters issue central guidance to country teams on cost-effectiveness criteria in education services as an aid to decision-making and resource allocation in education programmes.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

612. As mentioned in paragraphs 589 and 606 above, a working group composed of representatives from the relevant divisions has been established to develop guidance for operations and headquarters to enable them to systematically analyse and report on cost-effectiveness and value-for-money practices.

613. As part of this work, UNHCR will also address the need to develop guidance for identification and analysis of cost drivers in various fields of activity and their impact on obtaining the best value for money.

614. **In paragraph 114, the Board noted that there were a range of options that could support the objective of streamlining the process of redeployment of staff, and recommended that management consider: (a) limiting the number of posts that staff can apply for, which should help reduce the delays in sifting applications; (b) establishing a roster system so that posts can be classified against generic job profiles, as far as possible aligning capabilities to posts and thereby reducing the volume of applications and the need for suitable candidates to go through the entire recruitment process; (c) setting targets for the number of staff between assignments or beyond their assignment lengths; and (d) whether certain core or technical specialized functions are exempt from the mobility model, depending upon operational need. That should then free up time for the human resources team to start thinking in a more strategic way about the needs of the business.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

615. UNHCR will be launching the new assignment policy by the end of the third quarter of 2017, which will address part (a) of the recommendation.

616. In connection with part (d) of the recommendation, non-rotation and function-specific rotation for certain positions are also being considered in the deliberations related to the establishment of the new rank-in-job assignment policy. Parts (b) and (c) of the recommendation have been assessed by the Board as implemented.

Report of the Board for the year ended 31 December 2012[30]

617. **In paragraph 105, the Board recommended that UNHCR include, in the new fleet management manual, guidance on how to assess alternatives to the use of distant garages when remote servicing can result in excessive mileage, extended vehicle downtime and high transit costs. The Board indicated that the guidance should include requirements for: (a) periodic testing of local markets for the availability of closer commercial maintenance facilities of the requisite standard; (b) periodic review of the scope for United Nations agencies, non-governmental organizations and implementing partners to procure maintenance collectively, to leverage greater bargaining power or attract reliable operators to open facilities nearby; and (c) consideration of the maintenance of a stock of oil and filters at the field office level to enable the most basic (category A) servicing to take place in the field.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

618. In June 2015, UNHCR issued operational guidelines for the management and use of UNHCR vehicles, which address the requirements for adequate repair and

[30] A/68/5/Add.5, chap. II.

maintenance. The approach of managing repair and maintenance of vehicles in UNHCR using one global service provider was assessed as impractical by the Board. UNHCR is considering the Board's observation in the formulation of its maintenance and repair strategy. UNHCR will consider a decentralized approach, with emphasis on quality control of the local service providers. Between 2017 and 2019, UNHCR is planning to increase the coverage of the maintenance and repair scheme gradually, so that by the end of 2019 the majority of UNHCR vehicles will be covered by the scheme.

619. In addition, UNHCR is collaborating with UNDP for potential joint procurement of vehicle tires.

Report of the Board for the year ended 31 December 2013[31]

620. **In paragraph 56, the Board, given the major scale of the UNHCR Jordan cash programme and the plans to expand it to other countries, recommended that UNHCR commission an independent expert evaluation of the programme, with the aim of reporting before the end of 2014.**

Department responsible:	Evaluation Service
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

621. UNHCR has analysed the results of various studies conducted in relation to the cash-based initiatives in Jordan to draw from their findings. Such studies included an independent evaluation of the organization's response to the refugee influx in Jordan and Lebanon, a study conducted by the Norwegian Refugee Council on cash-based distribution of non-food items in refugee camps in Jordan, a study by Oxfam on the impact of cash distributions on Syrian refugee households in host communities and informal settlements in Jordan and the UNHCR study on coping mechanisms among Syrian refugees in four countries in the region. Although rich in information, these studies did not provide the required insights to substitute for an independent evaluation of the cash assistance programme in Jordan. Over the past few months, UNHCR Jordan has commissioned, along with UNICEF and in coordination with the World Food Programme, an independent study of the effects of the cash-based intervention programme in Jordan on refugees. The study, which was conducted by the Overseas Development Institute (ODI), examined the impact of cash-based assistance. The ODI study is being finalized in consultation with and with the support of the Evaluation Service of UNHCR. The Evaluation Service is in the process of commissioning an independent synthesis of all existing studies, reviews and impact assessments related to UNHCR cash-based interventions in Jordan, which will be completed by the fourth quarter of 2017.

622. **In paragraph 86, the Board recommended that UNHCR issue central guidance to country teams on cost-effectiveness criteria in health services as an aid to decision-making and resource allocation in health programmes.**

[31] A/69/5/Add.6, chap. II.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

623. UNHCR has established a working group to develop guidance for country teams on cost-effectiveness criteria, as recommended by the Board, using published international data and best practices. In 2015, after a review of the draft guidelines prepared at that time, it was concluded that a more detailed financial analysis of all health programmes was required to address this recommendation. The analysis of health expenditures was completed and the findings contributed to the finalization of an operational guidance note on public health and nutrition that will be incorporated in the revision of the programme manual.

X Fund of the United Nations Environment Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[32]

624. The status of implementation of the recommendations as at August 2017 is summarized in tables 25 and 26 below.

Table 25
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Services Division	1	–	–	1	1	–
Policy and Programme Division	3	–	1	2	1	1
Total	**4**	**–**	**1**	**3**	**2**	**1**

Table 26
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Services Division	6	–	1	5	5	–
Policy and Programme Division	3	–	1	2	1	1
Total	**9**	**–**	**2**	**7**	**6**	**1**

625. **In paragraph 24, the Board recommended that UNEP enhance its follow-up efforts with implementing partners to ensure that they submit the required reports on time so as to expedite financial closure of operationally closed projects.**

[32] A/72/5/Add.7, chap. II.

Department responsible:	Policy and Programme Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

626. UNEP has established a special project with dedicated human resources for the clean-up and closure of all old projects.

627. **In paragraph 29, the Board recommended that UNEP introduce and properly follow a standard time frame for each stage of project development to avoid delays in the submission of projects for review and approval so that the implementation of the programme of activities is not affected.**

Department responsible:	Policy and Programme Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

628. UNEP has incorporated the project management cycle in its programme manual and standardized all processes to reduce delays in the approval process.

629. **In paragraph 33, the Board recommended that UNEP conduct a regular follow-up with implementing partners to ensure that they comply with the UNEP programme manual by submitting consolidated audited financial statements on completed projects to provide assurance with respect to the expenditure incurred during the implementation of the projects.**

Department responsible:	Policy and Programme Division
Status:	In progress
Priority:	High
Target date:	Ongoing

630. UNEP is actively engaged in discussions with the United Nations Secretariat on its requirements for the Umoja grantor management tool that will be implemented as part of Umoja Extension 2. This tool is expected to cover all aspects of engagement with implementing partners, including screening and registration, monitoring and reporting, auditing, closure and evaluation of the implementing partners. UNEP continues to use its current processes to ensure compliance with this recommendation.

631. **In paragraph 39, UNEP agreed with the Board's recommendation that it develop an anti-fraud policy to ensure that a consistent approach to fraud detection, measurement and reporting is in place for all implementing partners.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

632. UNEP is making efforts to ensure that key staff members who will be involved in the development of the anti-fraud policy attend relevant training and workshops to equip them with the knowledge required for that exercise. UNEP will also liaise accordingly with the United Nations Secretariat on this matter.

633. **In paragraph 43, the Board recommended that UNEP: (a) strengthen monitoring mechanisms to ensure that staff members record and certify their leave balances in Umoja in a timely manner; and (b) review and verify all leave records to ensure the accuracy of the balances of all staff members.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

634. The United Nations Office at Nairobi has requested that time administrators and time managers be provided with access to run the time statements certifying report in Umoja in order to strengthen their monitoring roles.

635. **In paragraph 50, the Board recommended that UNEP arrange travel in accordance with travel plans and provide enough time for ticket processing to comply with the administrative instruction on travel.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

636. UNEP continues to sensitize its staff members to the need for compliance with the administrative instruction on travel and will continue to monitor compliance using Umoja business intelligence reports.

637. **In paragraph 58, the Board recommended that UNEP strengthen its mechanism for the recovery of travel advances to ensure timely submission of travel expenses reports to allow complete recording of expenses and receivables.**

Department responsible:	Corporate Services Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

638. A programme for the recovery of outstanding travel advances was implemented in Umoja in April 2017. The recovery process has been running successfully on a monthly basis and will drastically reduce the long-outstanding travel advances.

639. **In paragraph 62, the Board recommended that UNEP ensure that staff performance appraisals are completed for all staff in accordance with the Staff Regulations and Rules of the United Nations.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

640. UNEP, in collaboration with the United Nations Office at Nairobi, has been sending regular reminders to staff members and managers to ensure compliance with the relevant Staff Regulations and Rules relating to performance appraisal.

641. **In paragraph 68, the Board recommended that UNEP expedite the implementation of enterprise risk management to ensure an effective and efficient risk management process.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

642. UNEP is holding internal consultations to ensure completion of its draft enterprise risk management policy and the follow-up processes for its approval.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

643. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.7, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the eight recommendations that were assessed by the Board as under implementation or not implemented. The information in the present section is set out in the order in which the recommendations are presented in the annex to the report of the Board.

644. The overall situation is summarized in table 27.

Table 27
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Services Division	7	–	2	5	4	1
Corporate Services Division and Department of Management (United Nations Secretariat)	1	–	1	–	–	–
Total	**8**	**–**	**3**	**5**	**4**	**1**

Report of the Board for the year ended 31 December 2015[33]

645. **In paragraph 29, the Board recommended that UNEP, in collaboration with the United Nations Office at Nairobi: (a) establish a service level agreement with the support desk for Umoja support service and ensure that the performance of the support desk is reviewed regularly; (b) maintain liaison with Headquarters to ensure that the established task force thoroughly reviews and fixes the configurations and bugs related to the travel and human resources modules of Umoja and performs adequate test runs to confirm that the problems have been corrected; and (c) put controls in place to ensure that the ledger entry description field is mandatory and emphasize that users should enter full descriptions in the ledger.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

646. Parts (b) and (c) of this recommendation have been implemented. With regard to part (a) of the recommendation, the United Nations Office at Nairobi and UNEP are currently discussing a service-level agreement and a cost-recovery model for implementation in 2018.

647. **In paragraph 33, the Board recommended that UNEP enhance its follow-up on project closure, including the setting-up of controls for the timely submission of final expenditure reports to expedite closure so that projects are financially closed within 24 months after being operationally closed.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

648. With regard to this recommendation, see the comments of UNEP contained in paragraph 626 above.

[33] A/71/5/Add.7, chap. II.

649. **In paragraph 52, the Board recommended that UNEP ensure sufficient control over the preparation and submission of required project reports by implementing agencies in compliance with the project cooperation agreements.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	High
Target date:	Ongoing

650. With regard to this recommendation, see the comments of UNEP contained in paragraph 630 above.

651. **In paragraph 56, the Board recommended that UNEP-Global Environment Facility (GEF): (a) make more of an effort and follow up to ensure that expenditure reports are submitted within the agreed time frames under the signed agreements; and (b) consider the write-off of receivables for which expenditure reports cannot be retrieved and the recoverability of advances has proved to be uncertain.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

652. With regard to this recommendation, see the comments of UNEP contained in paragraph 626 above.

653. **In paragraph 67, UNEP agreed with the Board's recommendation that it review the residual value and the useful lives of all assets, and ensure that the asset register is updated to reflect the restated figures after Headquarters has completed the analysis of property, plant and equipment.**

Department responsible:	Corporate Services Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

654. The United Nations Office at Nairobi is discussing with United Nations Headquarters a comprehensive process for reviewing property, plant and equipment and their associated useful lives, with the restated figures to be reflected in the next financial statements of UNEP.

Report of the Board for the year ended 31 December 2014[34]

655. **In paragraph 30, UNEP agreed with the Board's recommendation that it include in the proposed new version of the Programme Information Management System (PIMS) all key project processes and ensure that**

[34] A/70/5/Add.7, chap. II.

consolidated reports are provided and that there is improvement in the capacity for the inclusion of all key project processes.

Department responsible:	Corporate Services Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

656. UNEP has incorporated all key project management processes in its programme manual. Further efforts to improve PIMS have been terminated owing to the implementation of Umoja Extension 2, which is expected to cover all aspects of programme and project planning, implementation, reporting and evaluation. UNEP considers this recommendation to have been overtaken by events and requests its closure by the Board.

657. **In paragraph 45, UNEP agreed with the Board's recommendation that it look at ways of ensuring that the Evaluation Office is provided with adequate resources to initiate and manage independent project-level evaluations to the required level, and that project closure time frames are adhered to.**

Department responsible:	Corporate Services Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

658. UNEP has implemented project review processes and procedures for ensuring the adequacy of the budget allocations for evaluation costs before approval of new projects. The project planning templates have also been adjusted to ensure that planned project budgets include allocations to cover project evaluation costs.

Report of the Board for the biennium ended 31 December 2011 [35]

659. **In paragraph 69, the Board reiterated its previous recommendation that UNEP set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly. The Board recognized that UNEP would need to seek guidance from United Nations Headquarters on this matter.**

Departments responsible:	Corporate Services Division and Department of Management (United Nations Secretariat)
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

660. UNEP informed the Board that it was fully compliant with the United Nations phased policy to finance the after-service health insurance liabilities through a

[35] A/67/5/Add.6, chap. II.

monthly accrual of 3 per cent of gross salary plus post adjustment as part of the monthly payroll.

XI. United Nations Population Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[36]

661. The status of implementation of the main recommendations as at August 2017 is summarized in table 28.

Table 28
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management Services	1	–	–	1	1	–
Division for Management Services and Office of the Executive Director	1	–	1	–	–	–
Programme Division	1	–	–	1	1	–
Total	**3**	**–**	**1**	**2**	**2**	

662. The status of implementation of all recommendations as at August 2017 is summarized in table 29.

Table 29
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Human Resources	2	–	–	2	2	–
Division for Management Services	3	–	–	3	3	–
Management Information Services Branch	2			2	2	
Procurement Services Branch	3	–	–	3	3	–
Programme Division	2	–	–	2	2	–
Technical Division	1	–	–	1	1	–
Multiple offices	5	–	2	3	3	–
Total	**18**	**–**	**2**	**16**	**16**	

663. **In paragraph 18, the Board recommended that UNFPA: (a) ensure that country offices perform risk assessments effectively by documenting realistic justifications and causes and tailoring them to the specific field office environment, as required by the guidance notes on conducting risk assessment in the enterprise risk management system; and (b) document possible causes, risk ratings and justifications and allocate focal points for the additional risks identified by country offices.**

[36] A/72/5/Add.8, chap. II.

Departments responsible:	Division for Management Services and Office of the Executive Director
Status:	Implemented
Priority:	High
Target date:	Not applicable

664. The strategic information system "myRisk" application for enterprise risk management has been enhanced to include causes, impact and probability ratings, along with a justification text box for each risk assessment. The guidance note on conducting risk assessments is also being enhanced to include more examples of risk areas. Similarly, the process for identification and assessment of additional risks identified by business units has been revised.

665. **In paragraph 22, the Board recommended that UNFPA: (a) ensure that country offices develop the risk score matrices for the identified and assessed risks to support the risk ranking process; and (b) continue training the personnel of country offices on enterprise risk management tools and concepts so as to ensure that the risk assessment process, specifically with regard to the application of risk matrices in risk ranking, is performed adequately.**

Departments responsible:	Division for Management Services and Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

666. The risk score metrics of impact and probability are now an integral part of the updated strategic information system myRisk application and are used to calculate the risk rating automatically for any assessed risk. The risk focal points of the business units will be trained on this new concept and usage of the tool at the time of launching of the next enterprise risk management cycle.

667. **In paragraph 27, the Board recommended that UNFPA: (a) ensure that country offices prepare supporting documents for the risk assessment process for review and easy reference by the regional offices; and (b) enhance the risk assessment review and monitoring mechanism of the regional offices to facilitate achievement of the enterprise risk management corporate objective.**

Departments responsible:	Division for Management Services and Office of the Executive Director
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

668. The strategic information system myRisk application has been updated to facilitate mandatory uploading of supporting documentation for review by the regional offices. The risk assessment validation workflow has been revised to include the validation by the regional offices in the system after consideration of the uploaded supporting documentation. The guidance note has also been revised to

reflect these changes, and it includes a template for the required supporting documentation.

669. **In paragraph 32, the Board recommended that UNFPA: (a) strengthen control over microassessment reports from the service providers to ensure that the reports are supported by details of the work done and provide a clear basis for their conclusions; and (b) ensure that implementing partners are given microassessments and that plans are established to follow up on the findings and recommendations of the microassessments with UNFPA implementing partners or implementing partners shared with other agencies.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

670. UNFPA, jointly with UNICEF, has engaged qualified international firms under long-term agreements to deliver high-quality microassessments. For assessments conducted by local providers, the appropriate offices will be reminded to exercise quality control before accepting their reports. The Division for Management Services will periodically perform quality assurance of samples of completed microassessments. UNFPA applies risk-based and cost-conscious criteria to decide which implementing partners are assessed. Those implementing partners that receive funding below an established amount do not have to be assessed and are considered to be low risk. UNFPA will also continue the policy of subjecting implementing partners that are not yet assessed to the assurance activities required for high-risk partners and explore more efficient ways to manage low-risk partners.

671. **In paragraph 36, the Board recommended that UNFPA: (a) consider providing adequate training to spot checkers on how to conduct spot checks so as to improve the quality of spot checks; (b) ensure that the implementation of microassessment recommendations is followed up during spot checking and that evidence to that effect is maintained by the spot checkers so as provide supported assurance to UNFPA; and (c) ensure that the spot-checking activities are conducted effectively and efficiently, in accordance with established guidance.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

672. UNFPA continues to enhance the spot-checking capacity of its staff; assess the implementation of microassessment findings by implementing partners; and ensure that spot checks are conducted in accordance with established guidelines. A good start was made in 2016, with 800 spot checks completed and an independent quality assurance review, based on a reasonable sample, finding that a majority of the spot checks were of good or satisfactory quality.

673. **In paragraph 40, the Board recommended that UNFPA: (a) ensure that the workplans are prepared and approved in the global programming system prior to being signed by implementing partners and before the programme**

activities commence in order to avoid discrepancies between signed workplans and records in the global programming system; and (b) perform periodic checks and reconciliations between the budgets of the workplans and global programming system records in order to correct and update information in the global programming system.

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

674. UNFPA continues to strengthen compliance with the policy and guidance relating to workplans and the global programming system. For that purpose, UNFPA will increase communication and follow up on the results of the annual global programming system and workplan policy compliance review and will utilize exception reports to identify and address deviations between workplan amounts and the related budgets in the global programming system. The exception reports will be made available to all UNFPA staff, and communication will be sent regularly to the units for which deviations are detected.

675. **In paragraph 45, the Board recommended that UNFPA ensure that country offices provide information on annual supplier performance, business volume and savings achieved to the lead United Nations agencies for all long-term agreement holders that are piggybacked with other agencies, so that evaluations can be conducted.**

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

676. UNFPA agrees with the importance of vendor performance evaluation by the lead United Nations agency for all long-term agreements. However, there are challenges in implementing the recommendation when UNFPA is not the lead agency. UNFPA will provide the information on supplier performance and business volume to the lead agencies for their action.

677. **In paragraph 50, the Board recommended that UNFPA field offices adhere to local procurement plans when making procurements and ensure that all the procured items are included in the local procurement plans to facilitate the monitoring of procurement activities and efficiency in the use of resources.**

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

678. UNFPA attaches great importance to procurement planning and will make every effort to ensure that country offices prepare and update procurement plans as

required under the procurement policy. UNFPA is also of the view that a level of flexibility is needed to provide for unforeseen circumstances, including force majeure.

679. **In paragraph 55, the Board recommended that UNFPA improve its procurement procedures for documentation during the receiving and inspection of goods and services procured by keeping evidence of receipt even if goods/services are in good order.**

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

680. UNFPA is in the process of finalizing its inventory management policy. The Procurement Services Branch will update the procurement procedures to improve the receiving and inspection controls and to ensure that the relevant documentation is maintained.

681. **In paragraph 61, the Board recommended that UNFPA country offices: (a) collaborate with the appropriate stakeholders to enhance needs assessments on regular commodities in the country for proper planning; and (b) increase country office involvement in the forecasting analysis of reproductive health commodities before they are incorporated in the inventory procurement plans.**

Department responsible:	Technical Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

682. UNFPA country offices are routinely engaged with their counterparts on the forecasting and monitoring of reproductive health supplies. Working with its global level partners, UNFPA always strives to improve the processes related to reproductive health commodity management. A policy on the provision of programme supplies is under development to further standardize the procurement planning process of reproductive health supplies.

683. **In paragraph 65, UNFPA agreed with the Board's recommendation to: (a) establish a mechanism that would enable the organization to capture the leave points balances as at the reporting date and not as at the payroll finalization date, in order to report accurate leave days and liability; and (b) strengthen its internal control of the leave approval process by introducing a time limit on the approval of leave requests to ensure the timely and realistic capturing of leave points as at the reporting date.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

684. UNFPA, in consultation with UNDP, is exploring the possibility of establishing a mechanism to run a separate leave reconciliation process at the end of the year in order to capture the leave taken after the payroll finalization date and ensure that the report accurately reflects leave days and liability. UNFPA will also strengthen internal control of the leave approval process by revising its policy.

685. **In paragraph 70, the Board recommended that UNFPA: (a) ensure that a profile in the roster is created before individual consultants are hired, in order to facilitate online performance evaluation and references in the future; (b) update the contract periods of individual consultants in the roster and ensure that the contract periods recorded in the roster match those that are signed, in order to enable the effective assessment of individual consultant performance; and (c) conduct an individual consultant performance assessment in the consultant roster immediately after the completion of an assignment and ensure that final payment of the fee is released only after the individual consultant's performance assessment has been completed.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

686. UNFPA is reviewing the cases of the country offices mentioned in the Board's report in order to understand the cause of this non-compliance and will develop appropriate remedial measures. UNFPA will also strengthen the capacity of the country offices to improve their use of the consultant roster.

687. **In paragraph 74, the Board recommended that UNFPA: (a) expedite the recruitment process and conversion of service contracts to fixed-term appointments to support core operations that are staffed by individuals with service contracts; and (b) comply with UNFPA policies and procedures on the use of service contract modalities in the implementation of country office programmes and operations with regard to the recruitment of service contract staff for not more than five years.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

688. UNFPA is continuing to improve the timeliness of the recruitment process. In the past, the benchmark was 120 days from the time a vacancy closed to the selection of candidates. In the first quarter of 2017, the target was shortened to 90 days. A series of initiatives have been carried out, as required, under the human resources strategic plan for 2014-2017, including the leadership pool, rotation exercises, the decentralization of recruitment of technical positions to the regional offices and the upgrade of the eRecruit system. The use of service contracts at UNFPA is governed by the UNDP policy, which does not contain an explicit reference to a maximum period for service contracts.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

689. **In paragraph 79, the Board recommended that UNFPA: (a) formalize the policy and guidelines for the usage of the humanitarian response reserve; (b) review and justify the approved reserve amount of $10 million, taking into account financial projections of UNFPA; and (c) maintain the reserve at the approved amount.**

Departments responsible:	Programme Division and Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

690. UNFPA will finalize the development of a policy and procedures for humanitarian response funding, which will provide clear guidelines for the use of the humanitarian response reserve. Development of the policy will be informed by a quantification of financing needs. Funds will be allocated to the reserve, based on the outcome of the quantification exercise, as allowed by available core resources and subject to the $10 million ceiling established by the UNFPA Executive.

691. **In paragraph 85, The Board recommended that UNFPA: (a) ensure compliance with the salary advance policy and strengthen conditions for recovery of advances from staff, especially in situations in which the staff member with outstanding advances separates from UNFPA; and (b) continue the review of the outstanding advances to determine the causes and establish a recovery mechanism to ensure that the advances are recovered and cleared for active and separated staff.**

Departments responsible:	Division for Management Services and Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

692. UNFPA launched a salary advance module in March 2015 to ensure that every salary advance request was approved by the Director of the Division for Human Resources. All requests are approved in accordance with the policy of salary advances. The Division for Human Resources will develop a staff check-out process and take the steps necessary to ensure that it is consistently implemented across all locations. The Division for Management Services, in collaboration with the Division for Human Resources, will complete the ongoing review of outstanding staff advances to: (a) identify matters that should be considered in the design of the staff check-out process; (b) initiate recovery actions, when feasible; and (c) write off any outstanding balances for which recovery is not possible.

693. **In paragraph 90, the Board recommended that UNFPA: (a) ensure that the country offices obtain authorization from UNFPA headquarters for all project cash advances above the threshold stated in the policy on project cash advances; (b) set the time limit for holding the project cash advance per activity per staff member in the policies and procedures on project cash advances, to minimize prolonged project cash advance balances; and (c) strengthen supervisory and monitoring controls at the level of country offices to ensure compliance with the established policies and procedures.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

694. The UNFPA policy on project cash advances already requires authorization by the heads of offices for all project cash advances, regardless of their amount, and additional headquarters authorization for project cash advances exceeding a stated threshold. The policy also requires that advances be cleared within seven days after the conclusion of a project activity. The policy will be reviewed to clarify control requirements, including those related to advances made through payment services providers, and further improve the management of cash in the field. To further enhance compliance with policy requirements the Division for Management Services will: (a) present webinars and develop training materials to improve awareness of expected procedures and internal controls by the relevant field office staff; and (b) revise its process for monitoring project cash advance payments and balances to ensure that any compliance exceptions are identified, reported and resolved in a timely manner.

695. **In paragraph 95, the Board recommended that UNFPA: (a) update the list of shadow information technology applications to ensure that it includes all regions; (b) conduct a review of shadow information technology applications in accordance with policy; and (c) establish control mechanisms to determine risks associated with shadow information technology applications.**

Department responsible:	Management Information Services
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

696. UNFPA is in the process of approving its systems development life cycle policy, which includes the establishment of the global ICT asset registry, in which any purchased, internally developed or donated software assets will be recorded. UNFPA revised its shadow information technology policy in 2016 to address some of the risks associated with shadow information technology applications, and this will be further strengthened to include the coordination and risk control mechanisms.

697. **In paragraph 100, the Board recommended that UNFPA put in place a mechanism for monitoring the adoption of software policies and procedures and ensure their compliance across the entity.**

Department responsible:	Management Information Services
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

698. The current UNFPA ICT policy only covers the installation and usage of standard office productivity software. The clauses about other software will be amended upon formal approval of the systems development life cycle policy referred to in paragraph 696 above. UNFPA will ensure that when the ICT policy is revised, the required control mechanisms for monitoring its compliance are defined.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

699. In annex I to its report for the year ended 31 December 2016 (A/72/5/Add.8, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. The overall situation as at August 2017 regarding the 15 recommendations that were assessed by the Board as under implementation is summarized in table 30 below. The information in the present section is set out in the order in which the recommendations are presented in the annex to the report of the Board.

Table 30
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Human Resources	3	–	–	3	3	–
Management Information Services Branch and Programme Division	1			1	1	
Procurement Services Branch	1			1	1	
Management Information Services Branch	2			2	2	
Division for Management Services	2	–	–	2	2	–
Programme Division	3	–	–	3	3	–
Technical Division	3			3	3	–
Total	**15**	**–**	**–**	**15**	**15**	**–**

Report of the Board for the year ended 31 December 2014[37]

700. **In paragraph 23, the Board recommended that UNFPA: (a) update the guidelines for decentralized offices to clearly define and outline different arrangements for decentralized offices for establishment and management of operations; (b) continue to develop comprehensive business cases and seek retroactive approval for the remaining decentralized offices; and (c) incorporate the organization charts of decentralized offices and their reporting lines into the organizational structure of country offices.**

[37] A/70/5/Add.8, chap. II.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

701. UNFPA undertook a comprehensive review of the availability of business cases and approvals from regional offices for all of its decentralized offices and obtained retroactive approvals, where required. The existing guidelines for decentralized offices were retired with effect from January 2017, as all aspects of managing such offices were already included in existing operational and programmatic policies. The new organizational restructuring policy defines and outlines different arrangements and the rules governing the establishment of such offices. The final draft of the policy will be presented to the UNFPA Executive Committee for approval.

702. **In paragraph 28, the Board recommended that UNFPA: (a) ensure that monitoring and assessment visits are undertaken for effective evaluation of the implementation of activities at decentralized offices; (b) define the role of the focal points for decentralized offices and provide clear guidance on what support and oversight the focal points should provide; and (c) establish performance targets and set systematic monitoring and assessment criteria for the focal points to ensure that they deliver according to the UNFPA mandate.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

703. With regard to this recommendation, see the comments of UNFPA contained in paragraph 701 above.

704. **In paragraph 39, the Board recommended that UNFPA: (a) strengthen its monitoring procedures for implementing partners to ensure performance of programme implementation activities; and (b) prepare monitoring plans that can be achieved within the time frame.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

705. The development of phase II of the global programming system, which addresses this recommendation, has been completed, and its implementation is at an advanced stage. All headquarters-based units have already utilized the phase II functionality for their second quarter expenditures and third quarter advances. The training for users is being conducted for all regions. With respect to the monitoring of implementation, a template to plan and record the follow-up progress on monitoring findings has been included in the policy and procedures manual as part of the workplan policy revision. The guidance note on strengthening results

monitoring and quality results reporting is at the finalization stage. The guidance note has been informed by the collection of practices from country offices.

706. **In paragraph 60, the Board recommended that UNFPA: (a) establish a robust supply chain mechanism to ensure that there is effective delivery and distribution of procured inventories to the intended beneficiaries by field offices; and (b) develop tools that will enable country offices to monitor the timeliness and effectiveness of inventory distribution, including regular tracking of key metrics, such as the percentage of execution of distribution plans and inventory levels held at service delivery points.**

Department responsible:	Technical Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

707. UNFPA is developing a policy on the provision of programme supplies to regulate and monitor the delivery and distribution processes. Two software tools have been developed and implemented at the country office level to support the monitoring of inventory distribution. These tools are the Atlas module called "shipment tracker" and the stand-alone order management system maintained by the UNFPA Procurement Services Branch, with input from the commodity suppliers and UNFPA country offices.

Report of the Board for the year ended 31 December 2015[38]

708. **In paragraph 31, the Board recommended that UNFPA: (a) ensure that correct budget information is updated in the global programming system and that reconciliation of budget information is made between the amounts to be sent to commitment control and the workplan amounts for such activities; and (b) consider introducing new features into the system to include non-financial information on the progress reports of implementing partners.**

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

709. With regard to this recommendation, see the comments of UNFPA contained in paragraph 701 above.

710. **In paragraph 35, the Board recommended that UNFPA: (a) continue with initiatives to improve the capacity of implementing partners such that workplan progress reports reflect the achievement of results during a particular period of time and clearly assess the progress made towards the planned targets; and (b) conduct quality assurance upon receipt of the progress reports and address any weaknesses noted.**

[38] A/71/5/Add.8, chap. II.

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

711. Finalization of phase II of the global programming system will ensure that all quarterly progress reports are fully transparent, synchronized with workplans and checked for quality before being accepted by UNFPA personnel. This process will feed into the quality assurance by the Programme Division and regional offices. Implementing partners will also receive training on the global programming system to enhance their readiness for workplan management and reporting.

712. **In paragraph 45, the Board recommended that UNFPA: (a) use the Atlas-generated purchase order as the primary contracting tool for the purchase of goods and for encumbering funds before the delivery of goods and services, to minimize the risk of misstating commitments and to ensure compliance with the procurement procedures and internal control framework; and (b) ensure that the Procurement Services Branch monitors the country offices to ensure that they comply with the procurement rules and regulations.**

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

713. The spot-check tool for monitoring compliance with procurement rules and regulations by country offices has been launched and the results generated from the tool are regularly shared with all country offices. The Procurement Services Branch will continue to undertake spot checks and follow up with country offices on compliance.

714. **In paragraph 59, the Board recommended that UNFPA: (a) carry out a human resources needs assessment and review the existing service contracts so as to reduce their use for UNFPA core functions; and (b) monitor the recruitment process of service contract holders to ensure that they are recruited for non-core functions that are mandated by the UNDP service contract handbook adopted by UNFPA.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

715. The human resources needs assessment and the review of service contract holders are an integral part of about 77 country office realignments that have been undertaken and are at different stages of implementation. As a result of the approved realignments, at least 107 service contract positions were converted into fixed-term posts.

716. **In paragraph 64, the Board recommended that UNFPA: (a) speed up the updating of the inventory policy and procedures manual for consistency and uniformity of content and directives in the new inventory system; and (b) ensure that in future, for any changes to the system, policy is updated in line with the new system.**

Department responsible:	Technical Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

717. UNFPA has constituted an interdivisional working group on inventory management, which is responsible for updating the inventory policy. The working group and the change advisory board will collectively ensure that policies are aligned with any new system.

718. **In paragraph 68, the Board recommended that UNFPA: (a) clearly include in the inventory manual the roles, responsibilities and scope of the oversight bodies and other personnel involved in the inventory management process; and (b) design a standard job description for the inventory focal point, including competence requirements.**

Department responsible:	Technical Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

719. The interdivisional working group on inventory management is defining roles, responsibilities and accountabilities of all stakeholders involved in the entire inventory management process, including the design of a job description for the inventory focal point.

720. **In paragraph 74, the Board recommended that UNFPA: (a) align the inventory valuation policies and guidelines so as to maintain consistency in determining the cost of inventory; (b) perform comparison between cost and net replacement cost for all the inventories; and (c) establish a mechanism that captures current replacement costs of all inventories to improve inventory valuation during stocktaking and the closure of accounts.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

721. Inventory valuation policies and guidelines will be clarified in the new version of the inventory management policy, which is currently being revised. UNFPA compared historical and replacement costs for all inventories older than six months as part of the account closure procedures for 2016, and adjustments were recorded as appropriate. Country offices were required to solicit quotes for all locally

procured goods that had been purchased before 1 July 2016 and remained undistributed as at 31 December 2016. The Procurement Services Branch was requested to provide market costs for all undistributed internationally procured goods older than six months as at 31 December 2016. This procedure will henceforth be applied at the end of each year and will be reflected in the revised inventory management policy.

722. **In paragraph 78, the Board recommended that UNFPA: (a) incorporate the cost projections on the use of the reserve for field accommodation into its integrated budget for the period 2018-2021; and (b) review the threshold amount of the reserve for field accommodation with regard to the changing environment.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

723. The project funding requirements for the request for application has been incorporated in the integrated budget for the 2018-2021 period. UNFPA will continue its collaboration with United Nations Development Group partners to come up with a consistent basis for projecting future developments with respect to United Nations common premises, which are the primary cost driver.

724. **In paragraph 88, the Board recommended that UNFPA: (a) conduct an information security risk assessment and review its ICT policies annually; (b) develop and implement an information classification policy; and (c) adopt internationally accepted standards for managing information security for controls that will have a significant impact on the organization.**

Departments responsible:	Management Information Services Branch and Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

725. An information security risk assessment has been conducted as part of the overall ICT risk assessment. ICT policies and procedures have been reviewed and updated. This part of the recommendation has therefore been implemented. An information classification policy is part of the ongoing document management policy that is under development. The review of next-generation firewalls, sandboxing, secure socket layer inspection, antivirus tools and vulnerability management across the web, mobile and "Internet of things" environments, among other efforts to enhance security, has been completed.

726. **In paragraph 94, the Board recommended that UNFPA: (a) develop and implement a project management guideline that defines the basis for adopting the Projects in Controlled Environments (PRINCE2) or Agile methodology for the ICT project management process; (b) develop and implement ICT project prioritization criteria to be used by the ICT Board in decision-making; and (c) establish a mechanism to capture the costs of internally developed software.**

Department responsible:	Management Information Services Branch
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

727. Project management guidelines and project costing guidance have been developed. ICT project prioritization criteria were approved and have been used by the ICT Board since September 2016. UNFPA is in the process of finalizing the mechanism of capturing the costs of internally developed software.

728. **In paragraph 98, the Board recommended that UNFPA: (a) develop, document, test and implement a comprehensive ICT disaster recovery plan that takes into consideration all critical business systems and their dependencies; and (b) review and test the disaster recovery plan regularly and document the reviews and tests conducted.**

Department responsible:	Management Information Services Branch
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

729. The draft comprehensive ICT disaster recovery plan is being reviewed by stakeholders before its finalization and testing. UNFPA is also in the process of migrating internal applications and the underlying infrastructure to the cloud. This migration is expected to be completed by end of 2017. The cloud-based systems, which have a 99.9 per cent guaranteed uptime, will address the disaster recovery component of all critical business systems and their dependencies.

XII. United Nations Human Settlements Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016

730. The status of implementation of recommendations as at August 2017 is summarized in tables 31 and 32 below.

Table 31
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	2	–	1	1	1	–
Total	**2**	**–**	**1**	**1**	**1**	**–**

Table 32
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	13	–	2	11	11	–
Programme Division	1	–	–	1	1	–
Total	**14**	**–**	**2**	**12**	**12**	**–**

731. **In paragraph 13, the United Nations Human Settlements Programme (UN-Habitat) agreed with the Board's recommendation that the organization: (a) conduct enterprise risk management awareness training to enable country office staff to acquire the skills and knowledge necessary for the effective implementation of enterprise risk management; and (b) prepare the risk register in accordance with the UN-Habitat enterprise risk management guidelines and summarize all important risks and response strategies in order to mitigate risks in project implementation.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

732. UN-Habitat is still in the process of implementing enterprise risk management and is now finalizing the project risk management guidelines.

733. **In paragraph 18, the Board recommended that UN-Habitat appoint a focal point for the monitoring and coordination of issues of staff with disabilities within UN-Habitat.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

734. The United Nations Office at Nairobi provides human resources services to UN-Habitat. Accordingly, UN-Habitat, in coordination with the Office, will establish mechanisms on how best to address the requirements of the focal point for staff with disabilities in accordance with Secretary-General's bulletin ST/SGB/2014/3.

735. **In paragraph 23, the Board recommended that UN-Habitat: (a) formulate strategies to minimize consultancy costs in accordance with its strategic objectives for the period 2014-2019; and (b) include the minimization of consultancy costs in the results framework for tracking and reporting periodically.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

736. The comments of UN-Habitat are reflected in paragraph 20 of the report. UN-Habitat notes that while the minimization of the use of external consultants was identified in the analysis of its 2014-2019 strategic plan, that can be achieved only when practical given operational constraints, and it should not be construed as a deliberate strategic objective. In order to address the concerns raised by the Board, UN-Habitat will make efforts to align its 2014-2019 strategic plan with its business model.

737. **In paragraph 31, UN-Habitat agreed with the Board's recommendation that, with support provided by the United Nations Office at Nairobi, it review late travel cases on a regular basis and ensure that they are in line with the Secretariat's administrative instruction on travel.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

738. UN-Habitat, in coordination with the United Nations Office at Nairobi, will put in place practical mechanisms, within the constraints of its operational requirements, to address this recommendation.

739. **In paragraph 36, UN-Habitat agreed with the Board's recommendation that the organization: (a) strengthen monitoring to ensure that staff members comply with the Secretariat's administrative instruction on travel by submitting expense reports within 14 days after returning from travel; and (b) institute a mechanism to monitor and recover outstanding advances.**

Department responsible:	Management and Operations Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

740. An automated control and systematic recovery mechanism are now available in Umoja to address this recommendation.

741. **In paragraph 40, UN-Habitat agreed with the Board's recommendation that the organization: (a) strengthen leave monitoring mechanisms to ensure that staff members record and certify their leave balances in Umoja in a timely manner; and (b) review and verify the accuracy of leave balances of all staff members.**

Department responsible:	Management and Operations Division
Status:	Implemented
Priority:	High
Target date:	Not applicable

742. The United Nations Office at Nairobi has established an automated monthly message alerting staff to certify their time and leave statements.

743. **In paragraph 44, the Board recommended that UN-Habitat: (a) prepare annual workplans and use the logical framework effectively in the process of project monitoring to show what results are accomplished and how they are achieved; (b) certify its interim reports, both financial and progress reports, and clearly indicate their approval dates.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

744. UN-Habitat is in the process of reviewing and strengthening its project management practices and will consider the requirements of this recommendation in the development of new project management guidelines and mechanisms.

745. **In paragraph 48, the Board recommended that UN-Habitat conduct regular updates of project information in the Project Accrual and Accountability System to maintain correct and consistent project records.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

746. UN-Habitat is upgrading its Project Accrual and Accountability System and will perform regular updates as recommended by the Board.

747. **In paragraph 54, the Board recommended that UN-Habitat: (a) ensure that the effects of grant approvals and implementing partners on low project delivery rates are taken into consideration in the preparation of the annual workplans; and (b) strengthen supervision and monitoring by linking activity time frames with financial resources to ensure project completion within the planned time frame and budget.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

748. UN-Habitat is finalizing its policies and procedures governing project risk management, which will address the risks identified by the Board.

749. **In paragraph 61, UN-Habitat agreed with the Board's recommendation that the organization expedite and improve communications and ensure that all projects eligible for closure are closed in compliance with the established policy, all liabilities are paid within the designated time frame and all unutilized funds are handled in accordance with the donor agreement.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

750. The transition to Umoja and the adaptation of its new requirements caused some delays in project closures. However, UN-Habitat is taking measures to close projects that are eligible for closure.

751. **In paragraph 65, the Board recommended that UN-Habitat enhance monitoring to ensure that implementing partners comply with the agreed terms and conditions in the cooperation agreement and submit their final financial reports and audited financial statements on time.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

752. UN-Habitat is now in the final stage of developing an Internet portal which will be used to perform automated monitoring of the payments and reports due to and from implementing partners, respectively.

753. **In paragraph 70, the Board recommended that UN-Habitat strengthen budget monitoring at the country offices in Somalia and the Sudan to avoid overspending and to ensure compliance with the requirements of the UN-Habitat Project Manual in controlling the budget.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

754. Umoja has automated controls that mitigate budget overspending. UN-Habitat will review the specific projects noted by the Board and ensure that there is no overspending.

755. **In paragraph 73, the Board recommended that UN-Habitat comply with all agreed terms and conditions in contract agreements to avoid misunderstandings with donors.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

756. UN-Habitat is finalizing policies and procedures governing project risk management, including the criteria for identifying projects at risk, which will address the issues identified by the Board.

757. **In paragraph 74, UN-Habitat agreed with the Board's recommendation that the organization strengthen monitoring of the implementation projects funded by conditional agreements in order to ensure that revenue is realized after the conditions are fulfilled and to reduce the amount of liability in the financial statements.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

758. UN-Habitat is undertaking a review of long-outstanding conditional liabilities of projects that are operationally closed.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

759. In annex I to its report for the year ended 31 December 2016 (A/72/5/Add.9, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the nine recommendations that were assessed by the Board to be under implementation. The information in the present section is set out in the order in which the recommendations are presented in the annex.

760. The overall situation is summarized in table 33 below.

Table 33
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Department of Management (United Nations Secretariat)	1	–	1	–	–	–
Management and Operations Division	6	–	–	6	6	–
Management and Operations Division and Department of Management (United Nations Secretariat)	1	–	–	1	–	1
Programme Division	1	–	–	1	1	–
Total	**9**	**–**	**1**	**8**	**7**	**1**

Report of the Board for the biennium ended 31 December 2011[39]

761. **In paragraph 24, UN-Habitat agreed with Board's recommendation that it review the costs and benefits of introducing procedures to mitigate exchange rate risks and losses. In coordination with the United Nations Office at Nairobi and subject to guidance from United Nations Headquarters, this could include commercially available solutions.**

Department responsible:	Department of Management (United Nations Secretariat)
Status:	Overtaken by events
Priority:	High
Target date:	Not applicable

762. This recommendation has been overtaken by events since Umoja has centralized the management of currency balances in the Controller's Office of the United Nations Secretariat.

763. **In paragraph 36, the Board reiterated its previous recommendation that UN-Habitat set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits for consideration and approval by its Governing Council and the General Assembly.**

Departments responsible:	Management and Operations Division and Department of Management (United Nations Secretariat)
Status:	In progress
Priority:	Medium
Target date:	Ongoing

764. An initiative is under way to fund after-service health insurance which is one of the post-retirement benefits. There is an awareness of the levels of liability, and measures are being taken to fund the programme.

Report of the Board for the biennium ended 31 December 2013[40]

765. **In paragraph 39, UN-Habitat agreed with the Board's recommendation that it: (a) set a timeline to identify a suitable partner to run the experimental reimbursable seeding operations trust fund and draw up comprehensive terms of reference for adequate operations and risk management; (b) set up and document a clear monitoring and assurance framework for the use and accountability of experimental reimbursable seeding operations funds; and (c) closely follow up on repayments from each borrower and ensure that they adhere to the repayment schedule.**

[39] A/67/5/Add.8, chap. II.
[40] A/69/5/Add.9, chap. II.

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

766. Regarding part (a) of the recommendation, UN-Habitat informed its Committee of Permanent Representatives in November 2012 of the status of implementation of Governing Council resolution 23/10, namely, that it had been unable to find a suitable partner or structure to which to transfer the experimental reimbursable seeding operations portfolio. As a result, and considering the small size of the portfolio, UN-Habitat will administer the operation of the portfolio in-house. With regard to part (b) of the recommendation, UN-Habitat undertook field missions in February/March 2015 to conduct surveys of individual beneficiaries of the projects funded by the operations in Nepal, Nicaragua and Uganda to ascertain whether individual loans had been used by end users for the intended purposes of the respective projects. The results gathered were satisfactory, and they demonstrated that the funds were being used for the intended purposes. With respect to part (c) of the recommendation, UN-Habitat has closely monitored the loan repayments, which have been on schedule with no defaults so far.

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

Report of the Board for the year ended 31 December 2014[41]

767. **In paragraph 44, UN-Habitat agreed with the Board's recommendation that it consider the possibility of speeding up the process of fixing electronic barcodes on all assets under its control to ensure the completeness of the property, plant and equipment register.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

768. UN-Habitat continues to ensure that field offices acquire Umoja barcode printers and that training on their use is conducted as needed. While physically verifying assets in mid-2017, field offices were required to identify all items without barcodes and instances in which barcodes had been defaced and ensure that new barcodes were affixed.

[41] A/70/5/Add.9, chap. II.

Report of the Board for the year ended 31 December 2015[a]

769. **In paragraph 25, UN-Habitat agreed with the Board's recommendation that it: (a) follow up with a housing foundation to recover the outstanding loan amount; and (b) enhance the screening and monitoring mechanisms with respect to the loan portfolio.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

770. UN-Habitat recovered $250,000 from the foundation, which is now deemed insolvent. UN-Habitat is monitoring the liquidation status of the foundation and will attempt to recover more funds if and when they become available following the liquidation proceedings. The remaining active loans are in good standing and are monitored regularly.

771. **In paragraph 36, UN-Habitat agreed with the Board's recommendation that it update its project manual to conform to the requirements of the newly adopted IPSAS financial reporting framework, the requirements of results-based management and the Umoja enterprise resource planning solution.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

772. UN-Habitat has updated its project manual in line with the new requirements of IPSAS and Umoja, and it will be finalized and adopted before the end of 2017.

773. **In paragraph 43, UN-Habitat agreed with the Board's recommendation that it: (a) ensure that a formal application change control procedure in accordance with ISO 27002 is prepared; (b) review the configuration of access in the Project Accrual and Accountability System and ensure that it is in accordance with the defined role matrix; and (c) define and document a formal access request and approval procedure to ensure that access is granted according to the defined role matrix.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

774. A new application change control system has been established, with all change requests being logged and application changes being tested and recorded before they

[a] A/71/5/Add.9, chap. II.

are launched. The access control mechanism is being updated as part of the system upgrade.

775. **In paragraph 54, UN-Habitat agreed with the Board's recommendation that it: (a) identify the risks that might affect project implementation in advance of the execution phase to minimize the negative effects of delaying the intended benefits for the societies involved; and (b) plan and manage the recruitment process in the field office to ensure that there is timely and adequate staffing for improved project performance.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

776. UN-Habitat has adopted enterprise risk management and is finalizing project risk management guidelines, which will address the requirements of the recommendation.

777. **In paragraph 60, UN-Habitat agreed with the Board's recommendation that it: (a) prepare annual project workplans in accordance with the requirements of the Monitoring and Evaluation Guide; and (b) establish baselines and targets for all expected outputs, outcomes and indicators in the workplans.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

778. The UN-Habitat project approval process now has a mechanism to ensure that all projects have annual workplans in accordance with the requirements of the Monitoring and Evaluation Guide. In addition, the existence of baselines and targets for all expected outputs, outcomes and indicators is being monitored.

XIII. United Nations Office on Drugs and Crime

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[67]

779. The status of implementation of recommendations as at August 2017 is summarized in tables 34 and 35 below.

[67] A/72/5/Add.10, chap. II.

Table 34
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	8	–	–	8	8	–
Multiple offices	4	–	–	4	3	1
Total	**12**	**–**	**–**	**12**	**11**	**1**

Table 35
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	16	–	–	16	16	–
Multiple offices	8	–	–	8	6	2
Total	**24**	**–**	**–**	**24**	**22**	**2**

780. **In paragraph 16, the Board recommended that the United Nations Office on Drugs and Crime (UNODC) use a systems-integrated approach to incorporate inter-organizational eliminations within the Business Planning and Consolidation module, including any additional actions necessary to reach this goal, for example, an alignment of the funds structure.**

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

781. The recommendation relates to a fund that currently is used for both exchange and non-exchange activities. Some of those activities require elimination entries in the accounts. Because of activities already in progress in 2017, the implementation of a new fund cannot take place until 2018, when a new fund will be established in Umoja. Therefore, full implementation of the recommendation is expected by the end of 2018.

782. **In paragraph 17, the Board recommended that UNODC eliminate or reduce the number of manual postings in the Business Planning and Consolidation module.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

783. The recommendation requires changes in structure and new general ledgers. The new ledger requested is currently under review by the Department of Management of the Secretariat. (See also paragraph 781 above.)

784. **In paragraph 18, the Board recommended that UNODC review existing journal entries in the Business Planning and Consolidation module and align Umoja to ensure that its data reflect the line items in the financial statements wherever possible.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

785. With regard to this recommendation, see the comments of UNODC contained in paragraph 781 above.

786. **In paragraph 23, the Board recommended that UNODC adequately monitor its financial performance and position during the year, including through the regular review of its cash flows.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

787. The recommendation relates to the timely recording of expenses to reflect the balances available to programme managers. UNODC confirmed that work was in progress to ensure that all pending charges were recorded in a timely manner. Furthermore, follow-up with programme managers regarding accounting for goods and services received and the timely submission of claims was ongoing.

788. **In paragraph 25, the Board recommended that UNODC set up a clear structure for its sources of income in order to better meet its accounting and reporting requirements.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

789. With regard to this recommendation, see the comments of UNODC contained in paragraph 781 above.

790. **In paragraph 30, the Board recommended that UNODC improve its control over petty cash balances, collect cash count statements for each petty cash account and ensure that statements and general ledger accounts match.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

791. UNODC is implementing measures to ensure that petty cash accounts are being reviewed and monitored to ensure accurate financial reporting.

792. **In paragraph 34, the Board recommended that UNODC continually review and clear all items in open item managed accounts throughout the year.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

793. UNODC is clearing old items in the accounts in accordance with the guidelines issued by the Department of Management of the Secretariat.

794. **In paragraph 38, the Board recommended that UNODC record the receipt of goods and services in a timely manner.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

795. UNODC is implementing this recommendation starting with a mid-year review and monthly follow-up of all outstanding commitments.

796. **In paragraph 39, the Board recommended that UNODC improve recognition of accruals stemming from open purchase orders and implement effective controls to detect and prevent excess accruals by field offices.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

797. With regard to this recommendation, see the comments of UNODC contained in paragraph 795 above.

798. **In paragraph 42, the Board recommended that UNODC strengthen its controls over concluded pledge agreements to ensure that the financial statements reflect all contribution agreements.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

799. Existing controls over concluded pledge agreements are being reviewed jointly by the Co-Financing and Partnership Section and the Umoja team. In view of the planned implementation of the resource mobilization functionalities in Umoja Extension 2 in 2018, the best practices procedures will be reviewed and implemented accordingly.

800. **In paragraph 44, the Board recommended that UNODC classify contribution pledges by long-term and short-term contributions and include a structured differentiation of the ageing structure by future years.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

801. UNODC is in the process of implementing this recommendation.

802. **In paragraph 48, the Board recommended that UNODC remove all combustible and unnecessary materials from sensitive areas with special need of protection, such as server and data centres and (rescue) access ways to such areas to reduce the fire load to a minimum. The storing of inflammable material in those areas must be strictly forbidden and controlled regularly.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

803. UNODC has removed all combustible and unnecessary materials from the inside of its data centres and access ways. Additional removal will be done in the rack spaces by the end of November 2017.

804. **In paragraph 51, the Board recommended that UNODC initiate a process with the other organizations in the Vienna International Centre with the purpose of assessing how access to the ICT rooms could be better controlled and unauthorized access prevented.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

805. UNODC is organizing a meeting with the other organizations in the Vienna International Centre to assess how access to the ICT rooms could be better controlled.

806. **In paragraph 56, the Board recommended that UNODC headquarters develop pragmatic ICT standard operating procedures and templates that field offices could use for the main ICT areas to ensure that compliance could be monitored.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

807. UNODC expects that resources will be allocated for the development of pragmatic ICT standard operating procedures and templates by the first quarter of 2018. The project is expected to be completed by the end of June 2018.

808. **In paragraph 60, the Board recommended that UNODC consider appointing focal points on disability and accessibility issues in field offices.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

809. The United Nations Office at Vienna and UNODC are continuing their fact-finding review with the UNODC field offices and the United Nations country teams on disability and accessibility issues. Once all the results of the review have been received, a policy decision will be made on the establishment of local focal points as well as the establishment of local standards and policies relating to disability and accessibility issues.

810. **In paragraph 62, the Board recommended that UNODC set up standards for accessibility of field office premises.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

811. With regard to this recommendation, see the comments of UNODC contained in paragraph 809 above.

812. **In paragraph 63, the Board recommended that UNODC consider cooperating with UNDP to implement standards for accessibility in UNDP-administered premises.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

813. With regard to this recommendation, see the comments of UNODC contained in paragraph 809 above.

814. **In paragraph 68, the Board recommended that UNODC, in cooperation with the United Nations Office at Vienna, establish regular monitoring of procurement activities at UNODC headquarters and field offices and assign clear responsibility for the monitoring process.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

815. UNODC is developing methods for the monitoring of procurement activities at its field offices in the context of implementation and resource planning.

816. **In paragraph 72, the Board recommended that UNODC, in cooperation with the United Nations Office at Vienna, organize additional training in the Umoja business intelligence and reporting tools in order to improve the reporting capacity of the Procurement Unit.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

817. UNODC, in cooperation with the United Nations Office at Vienna, has designated staff from the Procurement Unit to be enrolled in the next training session on Umoja business intelligence. In addition, specific training on Umoja reporting on procurement data will be conducted by the Umoja support team to improve the reporting and analytical skills of the procurement staff.

818. **In paragraph 76, the Board recommended that UNODC consider the document entitled "UNODC and the Sustainable Development Goals" as a "living" document and update it as necessary.**

819. UNODC has conducted two sets of workshops, in Tashkent and Islamabad, on ensuring the alignment of its programmes with the Sustainable Development Goals. Two more workshops are planned during the latter part of 2017. Subsequently, the document entitled "UNODC and the Sustainable Development Goals" will be updated with newer examples. The first such update is planned for early 2018, and further updates will continue until 2030.

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	In progress
Priority:	High
Target date:	Ongoing

820. **In paragraph 77, the Board recommended that UNODC keep up and work on a regular basis with the Inter-Agency and Expert Group on Sustainable Development Goal Indicators in order to align its perception of the Sustainable Development Goals with that of Inter-Agency and Expert Group.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	In progress
Priority:	Medium
Target date:	Ongoing

821. Currently, UNODC is assisting the Inter-Agency and Expert Group in reviewing the process for reporting on global Sustainable Development Goal indicators. Also, UNODC is involving the Group in the development of Sustainable Development Goal indicators for which it is the custodian. The Group will soon pilot the questionnaire on firearms trafficking drafted by UNODC and will be invited to the first expert consultation to develop the indicator on illicit financial flows. UNODC will also continue to attend Group meetings and provide input as needed.

822. **In paragraph 80, the Board recommended that UNODC establish responsibilities at its field offices for the sharing of information on and experience with the Sustainable Development Goals between UNODC headquarters and its field offices.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

823. UNODC gives high priority to the Sustainable Development Goals and has decided that the primary responsibility in field offices for the Goals will rest with the field representative.

824. **In paragraph 83, the Board recommended that UNODC adapt its strategic planning in order to establish a long-term strategy for effective and coherent support with regard to implementing the Sustainable Development Goals.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

825. UNODC anticipates that the alignment of its long-term strategic planning for the implementation of the Sustainable Development Goals will form part of the discussions in the development of the strategic framework for 2020-2021. It will also consider the management and budgetary reform proposals being made by the Secretary-General.

826. **In paragraph 84, the Board recommended that UNODC align all programmes and activities with the Sustainable Development Goals and, where applicable, with concrete targets so that its work on the Goals becomes more visible and its actions receive more recognition.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

827. With regard to this recommendation, see the comments of UNODC contained in paragraph 819 above. In addition, the following measures will be taken:

(a) Establishment of a Sustainable Development Goals Steering Committee, as recommended during the 2016 meeting of field representatives;

(b) Development of a long-term corporate strategy and plan of action to promote and mainstream the Sustainable Development Goals;

(c) Development of tools and guidelines for project and programme development and for measuring progress, and updating of the document entitled "UNODC and the Sustainable Development Goals" to keep it current;

(d) Alignment of all programmes and activities with the targets of the Sustainable Development Goals so as to achieve more visibility and greater recognition of UNODC actions on the Sustainable Development Goals and conduct of training activities for field offices.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

828. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.10, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 18 recommendations that were assessed by the Board to be under implementation.

829. The overall situation is summarized in table 36 below.

Table 36
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	9	–	2	7	7	–
Multiple offices	9	–	2	7	7	–
Total	**18**	**–**	**4**	**14**	**14**	**–**

Report of the Board for the year ended 31 December 2015[44]

830. **In paragraph 18, the Board recommended that UNODC ensure that key financial reconciliations are undertaken on a systematic basis and that control accounts are maintained to facilitate the review of key balances on a regular basis.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

831. UNODC is implementing this recommendation in accordance with the guidelines issued by the Department of Management of the Secretariat.

832. **In paragraph 25, the Board recommended that UNODC seek to minimize the number and complexity of journal entries and ensure that all journals are accurately described and supported within the system documentation to aid efficiency and review.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

833. The implementation of this recommendation is in progress. Some Umoja-related issues remain unresolved, however, and the use of journal vouchers will be necessary until a solution is found.

834. **In paragraph 33, the Board recommended that UNODC make better use of existing risk material collated to inform management decisions and that risks and their mitigation be regularly reviewed by senior management and reassessed to inform the corporate risk register.**

[44] A/71/5/Add.10, chap. II.

Departments responsible:	Office of the Executive Director, Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

835. The review of the enterprise risk management framework for UNODC and the United Nations Office at Vienna is envisaged to be initiated before the end of 2017, following review by the Secretariat. Meanwhile, a pilot test of the full cost recovery barometer in six selected field offices has begun, and initial results were generated for internal analysis in August 2017. The tool will assist UNODC management to anticipate trends in full cost recovery rates, identify potential mitigation measures and lessons learned and contribute to the fine-tuning of full cost recovery methodologies and guidelines, as required. The pilot-testing phase will end by December 2017, at which time the tool will be rolled out.

836. **In paragraph 64, the Board recommended that UNODC develop its standard performance indicators to ensure that they allow programmes to be properly measured at an operational and strategic level.**

Departments responsible:	Office of the Executive Director, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	Closure requested
Priority:	High
Target date:	Not applicable

837. The process of revising outcome indicators is linked to the time frames for the respective thematic programmes and is continuing in response to emerging developments. This is an ongoing process embedded in efforts to establish a culture for results-based management. As such, UNODC considers the recommendation as having been implemented and requests its closure.

838. **In paragraph 67, the Board recommended that UNODC project teams clearly articulate the delivery record of the project before seeking additional approvals for the project so as to strengthen the confidence of the approvals committee that any revisions are reasonable and supported by clear evidence.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

839. Programme achievements and results are extensively articulated in project revisions submitted to the Programme Review Committee. Annual consolidated progress reports for global programmes summarizing all achievements are submitted

each year to the Committee. As part of the review of requests for project extensions submitted under the direct approval modality, the justification provided and progress made to date are assessed. Submitting offices are requested to amend submissions when those criteria have not been met. UNODC considers the recommendation as having been implemented and requests its closure.

840. **In paragraph 72, the Board recommended that UNODC further explore the administrative and substantive reasons for the rejection of project plans and use this information to inform improvements in the guidance of project teams. Furthermore, UNODC could monitor performance against target times for each stage of the clearance process to provide better information to identify any inefficient elements.**

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

841. UNODC is reviewing the main reasons for the rejection of project plans and will engage at the divisional level to enhance the quality of its project plan submissions so as to reduce bottlenecks in the clearance process. In addition, training on project management will be revived.

842. **In paragraph 76, the Board recommended that UNODC enhance the accountabilities for the management of funding risks within projects, requiring teams to specify how their funding gap would be filled and to identify the degree of project and cost risk and what mitigating actions could be taken.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

843. UNODC programmes and projects already have risk matrices that include funding considerations. In view of the enterprise risk management framework that was launched, UNODC will set standards for capturing, monitoring, mitigating and escalating programme and project funding risks in a timely manner. Those standards will be rolled out to all programmes and projects.

844. **In paragraph 81, the Board recommended that UNODC consider a strategy for dealing with any financial reporting backlog and identify and address any gaps in reporting functionalities that are creating delays in the reporting timeline.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

845. The implementation of this recommendation is on track. All donor reports, including those for 2016, are expected to be finalized by September 2017.

846. **In paragraph 82, the Board recommended that UNODC centrally monitor the reporting requirements of donors and develop a methodology for donor financial reporting that would create a consistent reporting framework that is aligned with its information and that can be efficiently produced from its systems. Furthermore, UNODC should do more to influence donors to agree on a financial reporting framework aligned with internal reporting cycles and to follow as closely as possible a common reporting template.**

Departments responsible:	Division for Management and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Third quarter of 2018

847. UNODC is phasing out agreements with non-standard clauses. New funding agreements now follow the standard reporting clauses.

848. **In paragraph 86, the Board recommended that UNODC consider the scope for simplifying the reporting structure, for example by reporting only changes with respect to previous submissions, through better use of graphics to show progress against targets and through the inclusion of key expenditure data to identify departures from the agreed forecasts, and highlight reasons for variances in spending and activity.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

849. The first phase of the donor reporting dashboard with a project-based view has been released to Member States. The next phase of donor reporting is being developed, with a donor grant view in addition to the project view. The reporting prototype is currently being reviewed by UNODC stakeholders, and feedback will be taken into account in the development of the future release.

Report of the Board for the year ended 31 December 2014[45]

850. **In paragraph 9, the Board recommended that management embed the financial disciplines required by IPSAS across its operations and that staff engage in the maintenance of timely and accurate financial records and fully utilize the better-quality financial information outputs to support decision-making.**

[45] A/70/5/Add.10, chap. II.

Department responsible:	Division for Management
Status:	Closure requested
Priority:	High
Target date:	Not applicable

851. UNODC continues to deliver Umoja training and refresher courses with an emphasis on the delivery principle. Also, annual IPSAS refresher training courses are offered to staff and systematic closing procedures are issued. UNODC considers this recommendation to have been implemented and requests its closure.

852. **In paragraph 18, the Board recommended that UNODC develop fraud risk assessments to identify areas where it is most susceptible to fraud within its operations. These should be used to inform the development of risk mitigation plans to focus training and targeted exception reporting to detect cases of fraud.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

853. UNODC is taking an active part in the global risk assessment initiative and is a member of the Fraud Risk Assessment Advisory Committee. UNODC participated in the design of risk questionnaires and its senior managers provided input to risk assessments.

854. **In paragraph 40, the Board recommended that UNODC: (a) utilize the improved cost data to inform strategies for funding priorities and efficiency programmes; (b) complete the rollout of full cost recovery to projects, strengthening guidance and training support to enable staff to understand the principles and how they should be applied to project activity; and (c) introduce an assurance/review process to ensure that the costs are consistently and reliably classified across the business in line with the framework.**

Departments responsible:	Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

855. An assurance framework considered to be the full cost recovery barometer is now in use and relevant data are being gathered for the development of the consolidated budget.

856. **In paragraph 44, the Board recommended that in order to embed an evaluation culture, UNODC ensure that individual project managers take responsibility for their projects to be evaluated, that compliance with that activity be included in the performance appraisal system and that the rates of**

implementation of evaluation recommendations be monitored by senior management.

Departments responsible:	Independent Evaluation Unit, Office of the Executive Director, Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

857. The status of evaluations and justifications for possible rescheduling, as applicable, are reflected in the relevant sections of the project documents, as revised, and are also subject to review and discussion in the context of the project progress reports submitted annually to the Programme Review Committee. The Independent Evaluation Unit has engaged in designing a web-based evaluation application, but its implementation and integration with Umoja is pending.

858. **In paragraph 57, the Board recommended that management further develop its understanding of project staffing requirements by reviewing, within the constraints of the Secretariat's global staffing model, processes related to headquarters and regional staffing plans, balancing an optimal use of resources between headquarters staff, field staff and grade profiles.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

859. UNODC has prepared a draft analysis of staff at all major UNODC field offices, including a comparison of 2016 and 2017 budgets (initial and revised). UNODC is currently preparing a breakdown of the post information by individual position to facilitate its further analysis of expenditures in the field.

860. **In paragraph 65, the Board recommended that UNODC: (a) within the constraints of the Secretariat's global staffing model, build a model for optimal workforce composition, capability and training in a medium- and long-term staffing plan; (b) use the opportunity afforded by Umoja to improve the collection of comprehensive workforce data and utilize it to plan recruitment and the staffing and capabilities required to meet the future anticipated needs of the business; and (c) consider the re-establishment of "roving teams" within headquarters that can support field offices on a short-term basis.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

861. UNODC prepared a detailed analysis of its headquarters and field office positions by grade and funding source, comparing data from 2016 and 2017. UNODC will further review and analyse the data in conjunction with staff cost data in order to establish its workforce requirements.

862. **In paragraph 72, the Board recommended that UNODC learn lessons from UNHCR and others that use a mobility framework and ensure that the implementation of the framework is informed by their observations.**

Department responsible:	Division for Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

863. Given that UNODC is part of the Secretariat, the implementation of any mobility scheme for the Office is aligned with the Secretariat's implementation of the relevant policies, specifically those set out in the administrative instruction on staff selection and managed mobility system (ST/AI/2016/1 and Amend.1). In devising and implementing the currently applicable career development and mobility policy, the Office of Human Resources Management at Headquarters consulted and sought lessons learned from many other United Nations common system organizations, including UNHCR. UNODC considers this recommendation to have been implemented and requests its closure.

Report of the Board for the biennium ended 31 December 2013[46]

864. **In paragraph 75, UNODC agreed with the Board's recommendation that it enhance its framework for the engagement of external parties.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

865. A review of the framework for the engagement of external parties was conducted by the Office of Internal Oversight Services and its report was issued. A number of areas were identified for improvement. Wider policy issues will be tackled at a later stage once a Secretariat-wide policy has been finalized.

XIV. United Nations Office for Project Services

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[47]

866. The status of implementation of recommendations as at August 2017 is summarized in tables 37 and 38 below.

[46] A/69/5/Add.10, chap. II.
[47] A/72/5/Add.11, chap. II.

Table 37
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Executive Office	2	–	–	2	2	–
Information and Communications Technology Unit	1	–	–	1	1	–
Infrastructure and Project Management Group	3	–	–	3	3	–
People and Change Group	3	–	–	3	3	–
Procurement Group	2	–	–	2	2	–
Multiple offices	4	–	–	4	4	–
Total	**15**	**–**	**–**	**15**	**15**	**–**

Table 38
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Support Group	3	–	–	3	3	–
Ethics Office	1	–	–	1	1	–
Executive Office	5	–	–	5	5	–
Finance Group	2	–	–	2	2	–
Information and Communications Technology Unit	2	–	–	2	2	–
Infrastructure and Project Management Group	6	–	–	6	6	–
People and Change Group	3	–	–	3	3	–
Procurement Group	4	–	2	2	2	–
Multiple offices	6	–	–	6	6	–
Total	**32**	**–**	**2**	**30**	**30**	**–**

867. **In paragraph 20, the Board recommended that the United Nations Office for Project Services (UNOPS) obtain post facto approval of the Executive Board with respect to the original and final management budget, including each line item.**

Department responsible: Finance Group

Status: In progress

Priority: Medium

Target date: First quarter of 2018

868. UNOPS will provide the requested information to its Executive Board by including it in the next annual report of the Executive Director.

869. **In paragraph 21, the Board recommended that UNOPS include explanations of material differences in items between the original and final management budgets and between the final budget and the actual amounts in the financial statements.**

870. UNOPS will include in its next financial statements explanations of all material differences in items between the original and final management budgets as well as between the final budget and the actual amounts.

Department responsible:	Finance Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

871. **In paragraph 25, the Board recommended that UNOPS reassess the adequacy of internal controls relating to bank payments and strengthen the supervisory checks to ensure that incidents of double payment, overpayment or excess payment do not occur in the future.**

Departments responsible:	Finance Group and Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

872. As part of the implementation of its governance, risk and compliance framework, UNOPS will review its internal control framework, including the controls embedded in the bank payment system. UNOPS will ensure that the supervisory checks to minimize human errors in the bank payments are strengthened. An updated standard operating procedure will be circulated to field offices to further clarify the steps to be followed in the payment process.

873. **In paragraph 30, the Board recommended that UNOPS establish a well-defined management reporting and monitoring structure and define the role of headquarters directors (practice leads) for each practice.**

Department responsible:	Executive Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

874. As noted above, UNOPS is in the process of implementing its new governance, risk and compliance framework. In the course of this process, it will give due consideration to this recommendation.

875. **In paragraph 36, the Board recommended that UNOPS review the role of Integrated Practice Advice and Support vis-à-vis the practice groups to enable the speedy implementation, where considered relevant by the practices, of advisories and solutions provided by Integrated Practice Advice and Support.**

Departments responsible:	Corporate Support Group and Executive Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

876. With regard to this recommendation, see the comments of UNOPS contained in paragraph 874 above.

877. **In paragraph 37, the Board recommended that UNOPS assess the feasibility of including the project management sphere in the remit of Integrated Practice Advice and Support.**

Departments responsible:	Corporate Support Group and Executive Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

878. With regard to this recommendation, see the comments of UNOPS contained in paragraph 874 above.

879. **In paragraph 44, the Board recommended that UNOPS consider establishing a financial disclosure policy for its personnel that is aligned with the financial disclosure policy of the Secretariat (as defined in Secretary-General's bulletin ST/SGB/2006/6).**

Department responsible:	Ethics Office
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

880. UNOPS had previously considered the recommendation to align its financial disclosure policy with that of the Secretariat and decided against it, noting that Secretary-General's bulletin ST/SGB/2006/6 applied to the Secretariat only and was not binding on UNOPS. However, UNOPS is currently in the second year of a pilot financial disclosure and conflict of interest scheme and it will conduct a full review of this matter by the end of the second quarter of 2018.

881. **In paragraph 50, the Board recommended that UNOPS ensure compliance with its administrative instruction on business continuity and disaster recovery planning at all of its offices and components and include information technology assets, data and systems.**

Department responsible:	Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

882. UNOPS will ensure compliance with its administrative instruction on business continuity and disaster recovery planning at all of its offices and components.

883. **In paragraph 58, the Board recommended that UNOPS review the performance of oneUNOPS to determine whether all the intended controls are in place and effectively working, whether the intended benefits of the new systems are being realized and whether information system delivery components are adequately aligned with the intended business requirements, including management information reports.**

Department responsible:	Information and Communications Technology Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

884. UNOPS is addressing this recommendation through a robust governance framework that emphasizes the alignment of systems with required business controls and an enterprise benefit assessment framework.

885. **In paragraph 68, the Board recommended that UNOPS review the procedures and practices for project closure and address the deficiencies that contribute to delays in the completion of the project closure process.**

Department responsible:	Information and Communications Technology Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

886. UNOPS has reviewed the processes and practices for project closure and produced a Project Management Manual, which specifies steps, roles and responsibilities in the project closure process. The progressive roll-out of the new process commenced in August 2017 and is expected to be completed in December 2017.

887. **In paragraph 73, the Board recommended that UNOPS review its project management information system, along with the transition to oneUNOPS, so that centralized information on project status, including extensions and reasons for delayed implementation, are captured for better management oversight.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

888. UNOPS recognizes the need to centralize the information about project status and has designed solutions to address this matter. During the first quarter of 2017, UNOPS incorporated in the engagement acceptance module in oneUNOPS a mandatory engagement amendment step, whereby the project manager specifies the reason for the extension, for example whether it relates to scope, budget or timing, and provides justifications for the consideration of the engagement reviewers and

the subsequent approval of the relevant engagement authority. This has effectively resolved the issue of insufficient information with respect to changes in engagements that was raised by the Board. The data and information collected through the new and improved processes will be incorporated into the enterprise project management system, which is an effective tool for providing management oversight. UNOPS will be implementing the enterprise project management system in 2018.

889. **In paragraph 79, the Board recommended that UNOPS spell out its sustainability policy in the form of an organizational directive to prioritize projects and programmes with greater contributions to sustainability.**

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

890. UNOPS is in the process of revising all of its organizational directives as part of the implementation of its governance, risk and compliance framework, and during this process, UNOPS will make sure that its sustainability policy is clarified.

891. **In paragraph 80, the Board recommended that UNOPS realign its business process and delivery practices with its mandate of delivering sustainability and clearly lay down priority service lines, key focus areas, activities, projects and partners for the delivery of sustainable products and services so as to contribute towards helping countries achieve sustainable development.**

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

892. The 2018-2021 strategic plan of UNOPS clearly lays down its priority service lines and key focus areas for the delivery of sustainable products and services in order to contribute towards helping countries achieve sustainable development. As part of the execution of its strategic plan, UNOPS will review its business processes and delivery practices in order to ensure that they are aligned with its strategy.

893. **In paragraph 81, the Board recommended that UNOPS build a portfolio management model to optimize the portfolio of delivery practices so as to ensure the maximization of sustainability considerations, as well as its own financial viability.**

Department responsible:	Executive Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

894. In line with the revision of organizational directives, UNOPS will review its engagement acceptance process to embed sustainability considerations. UNOPS will continue to explore options for its portfolio management approach to ensure maximization of sustainability considerations, as well as its own financial viability.

895. **In paragraph 87, the Board recommended that UNOPS establish and adopt a sustainability screening tool to screen projects against sustainability standards at the design stage, fixing sustainability targets and deliverables to facilitate the monitoring of progress during the life of a project.**

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

896. UNOPS is in the process of revising its standards management framework for the acceptance and delivery of its projects, and, as part of this process, the environmental and social screening tool currently in use will be enhanced and more broadly adopted across UNOPS.

897. **In paragraph 95, the Board recommended that UNOPS incorporate sustainability targets and deliverables into project initiation documents for mandatory screening and monitoring, measurement and reporting of sustainability contributions at all stages of the project life cycle, from engagement acceptance, quarterly assurance and project progress reports to project closure reports.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

898. UNOPS has developed more specific guidance on how to incorporate sustainability indicators into projects in the Programme Monitoring Manager module throughout the various stages of the engagement process. Sustainability is addressed as a requirement at the pre-engagement, planning and implementation stages, and therefore is incorporated in the project initiation documents and in the quarterly and final project reports. Furthermore, as part of the implementation of the newly adopted governance, risk and compliance framework, UNOPS is in the process of redrafting its organizational directives. To ensure that sustainability contributions are prioritized in engagements and defined in project initiation documents, UNOPS will include sustainability elements in the organizational directives dealing with engagement acceptance, engagement management and engagement closure. The screening, monitoring, measurement and reporting of UNOPS services in accordance with its mandate and direction provided by the Executive Board and other legislative bodies, and organizational directives, including contributions to sustainable results, will be conducted at the project, programme and portfolio levels in accordance with the governance, risk and compliance framework.

899. **In paragraph 102, the Board recommended that UNOPS establish a standard procedure for the reporting of sustainability results at the output and**

outcome levels whereby data are captured throughout the business process, to be measured against predefined sustainability standard indicators, targets and deliverables, and the results validated through a verification mechanism.

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

900. In addition to the continuous improvement resulting from the use of the Global Reporting Initiative and organizational directives for occupational health, safety, social and environmental management, UNOPS formalized in its new strategic plan for 2018-2021 recognition for knowledge management, gender and sustainable approaches. UNOPS is therefore committed to the further development of knowledge management at the organizational level to support part of its work in collecting, analysing, managing and disseminating lessons learned and best practices, as well as standardizing its sustainability results data, for inclusion in output and outcome reporting. This comes as an addition to the revision of the risk assessment process, in which the best ways of integrating sustainability elements with support for the development of more sustainable engagements at the design stage are considered.

901. **In paragraph 106, the Board recommended that UNOPS develop a time-bound plan for the mandatory use of project management toolkits across UNOPS.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

902. UNOPS is developing, as part of its standards management framework, a time-bound plan for the mandatory adoption of project management toolkits within business processes as well as in revised training formats and guidance materials.

903. **In paragraph 111, the Board recommended that UNOPS: (a) develop a time-bound plan for covering all country offices under the environmental management system, in compliance with International Organization for Standardization (ISO) 14001 certification, in line with the commitment in the strategic plan for the period 2014-2017; (b) adopt a uniform practice across all offices to deliver environmentally sustainable infrastructure until such time as all other offices are brought under the environmental management system adopted under the ISO 14001 certification programme; and (c) augment human resources for the peer review system through the health, safety and environment subgroup.**

Department responsible:	Corporate Support Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

904. Actions to address this recommendation are in progress, but successful implementation will depend on a clear understanding of what uniform practices are expected in different locations and on the provision of resources through the UNOPS budgeting process. Hence, two operational instructions to make uniform practices mandatory are in the process of being promulgated. Furthermore, the drafting of a time-bound plan has commenced, the final version of which will be completed once the 2018 UNOPS budget has been finalized.

905. **In paragraph 115, the Board recommended that UNOPS prescribe appropriate verification and validation methods in order to ensure that the third parties and/or local contractors employing labourers for the implementation of UNOPS projects comply with the standards laid down in the policy for sustainable infrastructure.**

Department responsible:	Corporate Support Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

906. UNOPS will introduce operational instructions setting out the methods of supervising works and managing works contracts covering the requirements to validate whether third parties and/or local contractors enforce contractually agreed conditions derived from the policy for sustainable infrastructure.

907. **In paragraph 120, the Board recommended that UNOPS take steps to establish a distinct innovation fund, as envisaged in the strategic plan for the period 2014-2017.**

Departments responsible:	Executive Office and Finance Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

908. In the biennial budget estimates for 2018-2019, UNOPS proposed to its Executive Board that $20 million from its reserves be dedicated to the support of innovation and strategic initiatives.

909. **In paragraph 128, the Board recommended that UNOPS, while finalizing its strategic plan for the period 2018-2021, consider aligning its long-term business strategies and delivery practices with the requirements of the Sustainable Development Goals.**

Departments responsible:	Executive Office and Finance Group
Status:	In progress
Priority:	High
Target date:	Third quarter of 2017

910. The 2018-2021 strategic plan of UNOPS clearly lays out its priority service lines and key focus areas related to the delivery of sustainable products and services

to help countries achieve the Sustainable Development Goals. The strategic plan will be presented to the UNOPS Executive Board for adoption.

911. **In paragraph 137, the Board recommended that UNOPS integrate the list of sanctioned vendors contained in other external vendor databases, such as the United Nations Global Marketplace, with oneUNOPS.**

Department responsible:	Procurement Group
Status:	In progress
Priority:	High
Target date:	Third quarter of 2018

912. UNOPS will integrate the vendor database in oneUNOPS with that of the United Nations Global Marketplace, including the vendor sanctions information contained therein. This integration is expected to reduce risks, increase efficiency and improve reporting. A project will be established to implement this recommendation, as it involves multiple stakeholders within UNOPS.

913. **In paragraph 143, the Board recommended that UNOPS comply with its Procurement Manual in respect of observing the minimum number of days allowed for the submission of bids in order to provide a vendor with a sufficient number of days to prepare and submit a bid.**

Department responsible:	Procurement Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

914. UNOPS will actively monitor compliance with minimum solicitation periods through its appropriate e-sourcing system indicators and will proactively follow up with the offices responsible for such procurement activities. The e-sourcing system already has an indicator that flags tenders in which less than the minimum solicitation period is specified. The system will, however, be further improved in the fourth quarter of 2017.

915. **In paragraph 148, the Board recommended that UNOPS ensure adherence to the provisions of the Procurement Manual related to the preselection of vendors and to the exception provisions under the financial regulations and rules.**

Department responsible:	Procurement Group
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

916. Through the following actions, UNOPS has implemented this recommendation:

(a) In May 2017, an updated Procurement Manual was issued in which a number of improvements were introduced, including further clarification regarding the provisions on the preselection of vendors and exceptions;

(b) Following the issuance of the updated Procurement Manual, a global webinar was conducted in which all changes were explained, including clarification of the preselection of vendors;

(c) An additional webinar was conducted exclusively for Contracts and Property Committee members who typically review preselection processes;

(d) Procurement training courses were offered covering preselection processes;

(e) Recent preselection process minutes were reviewed by the Contracts and Property Committee, which found that the preselection process had been carried out in accordance with the policy.

917. **In paragraph 153, the Board recommended that UNOPS make efforts to validate the best price available by way of a formal solicitation method, costing studies, market research and expert consultation, wherever feasible.**

Department responsible:	Procurement Group
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

918. With regard to this recommendation, see the comments of UNOPS contained in paragraph 916 above.

919. **In paragraph 156, the Board recommended that UNOPS review its existing standard operating procedures relating to vendor database management to ensure that it has a strong system of checks with defined formats of data, data validation and alerts regarding duplicates in the oneUNOPS system in order to enhance the quality of data sets.**

Departments responsible:	Finance Group and Information and Communications Technology Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

920. UNOPS has already put in place additional system controls, and further controls have been planned for implementation.

921. **In paragraph 167, UNOPS agreed with the Board's recommendation that it finalize guidance on the conduct of background checks for new recruits.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

922. UNOPS will issue guidance addressing this recommendation in the fourth quarter of 2017.

923. **In paragraph 174, the Board recommended that UNOPS formulate policy directives and implementing instructions for the creation of an inclusive and accessible workplace for employees with disabilities.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

924. UNOPS acknowledges this recommendation and is working to address it.

925. **In paragraph 175, the Board recommended that, as an enabling action towards making the organization more inclusive and accommodating for people with disabilities, UNOPS endeavour to maintain data on employees with disabilities and complete an accessibility assessment of all its offices, digital platforms and processes as a matter of priority.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	High
Target date:	First quarter of 2017

926. UNOPS acknowledges this recommendation and is working to address it.

927. **In paragraph 180, the Board recommeaded that UNOPS ensure the implementation of its policy regarding the booking of tickets at least seven days in advance of the travel date and that systems be enabled to capture the data related to booking to allow for better monitoring.**

Department responsible:	Corporate Support Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

928. UNOPS has finalized the terms of reference that were developed for its proposed new travel management tool to address the recommendation.

929. **In paragraph 181, the Board recommended that UNOPS ensure the regular preparation of a quarterly travel plan as an enabling tool for effectively monitoring ad hoc official duty travel and making cost-effective flight reservations.**

Department responsible:	Corporate Support Group
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

930. With regard to this recommendation, see the comments of UNOPS contained in paragraph 928 above.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

931. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.11, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 23 recommendations that were assessed by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex to the Board's report.

932. The overall situation is summarized in table 39 below.

Table 39
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	Number of recommendations	Not accepted	Implemented or closed	In progress	Target date not set	Overtaken by events
Finance Group	1	–	–	1	1	–
Information and Communications Technology Unit	1	–	–	1	1	–
Infrastructure and Project Management Group	3	–	–	3	3	–
People and Change Group	6	–	1	5	5	–
Risk and Quality Group	4	–	–	4	4	–
Multiple offices	6	–	–	6	6	–
Total	23	–	1	22	22	–

Report of the Board for the biennium ended 31 December 2011 [48]

933. **In paragraph 48, the Board reiterated its previous recommendation that UNOPS: (a) draw lessons from its existing projects and consider measures to enable it to close projects on time; and (b) address the backlog of projects that need closure.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

934. There were 34 old projects pending closure as at 31 July 2017 of which 11 were at the final stage of the closure process. UNOPS headquarters was working closely with relevant country offices on the closure of the remaining projects. UNOPS had also developed an online tracking system to follow up with every project on a case-by-case basis.

[48] A/67/5/Add.10, chap. II.

Report of the Board for the year ended 31 December 2012[49]

935. **In paragraph 44, UNOPS agreed with the Board's recommendation that it: (a) appoint a fraud risk owner, or senior risk officer, at a suitably senior level to be accountable for the active management of fraud risks throughout UNOPS activities; (b) perform a comprehensive organization-wide fraud risk assessment to identify the major types of fraud risk that UNOPS faces; and (c) define the tolerance of UNOPS to various types of fraud risk and ensure that fraud controls are commensurate with that risk appetite.**

Department responsible:	Risk and Quality Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

936. UNOPS appointed a senior risk officer and conducted a fraud risk assessment in December 2016 to identify the major types of fraud risks that it faces. UNOPS is currently working on establishing a statement of its risk appetite, which is expected to be endorsed by the Executive Office by December 2017. UNOPS is continuing the roll-out of enterprise risk management. Organizational risk registers are available, and the Risk and Quality Group will work with other offices in UNOPS to engage them on working with the risk registers. The Risk and Quality Group is working closely with the Information and Communications Technology Unit to ensure that an information technology system is in place to support the enterprise risk management work.

937. **In paragraph 82, UNOPS agreed with the Board's recommendation that it develop a mechanism to generate better information on the post-completion performance of buildings.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

938. The development of the recommended mechanism is ongoing and the mechanism is expected to be completed by June 2018.

Report of the Board of Auditors for the year ended 31 December 2013[50]

939. **In paragraph 34, the Board recommended that practical steps be taken to implement enterprise risk management strategies, policies and procedures across the entity without further delay, and specifically that it: (a) identify, document and assess key risks to achieving strategic objectives; (b) regularly update and monitor risk information that can be aggregated at the entity level; (c) document risk tolerances so that they are understood and applied throughout the organization; (d) use risk registers to record the likelihood of a risk materializing, the impact of the risk, the proposed mitigating actions and**

[49] A/68/5/Add.10, chap. II.
[50] A/69/5/Add.11, chap. II.

the assessed level of risk post-mitigation; and (c) assign risk owners to take responsibility for monitoring and controlling each risk.

Department responsible:	Risk and Quality Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

940. The current status of implementation of this recommendation is as follows:

(a) The first UNOPS risk review was completed and presented to the Executive Office in April 2017 and subsequently to the Corporate Operations Group;

(b) The concept for the risk appetite statement of UNOPS has been presented to the Executive Office, Audit Advisory Committee and Corporate Operations Group. The concept was accepted and the process of developing the statement is ongoing;

(c) The risk policy and related instructions have been drafted and presented to the legislative framework committee and regional directors for review. Feedback is being reviewed and the drafts will be updated;

(d) Risk registers are being rolled out. The Risk and Quality Group will work with organizational units to encourage the regular use of the registers and their inclusion as part of the quarterly assurance exercise.

Report of the Board of Auditors for the year ended 31 December 2014[51]

941. **In paragraph 36, the Board recommended that UNOPS reconfirm the level of expected savings arising from the implementation of enterprise resource planning and seek to obtain viable benchmark cost data to inform a review of the realized process cost benefits.**

Department responsible:	Information and Communications Technology Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

942. UNOPS plans to engage an external consultant to assist in the evaluation of total cost of ownership, total savings and overall benefits realization.

943. **In paragraph 39, the Board recommended that UNOPS further explore opportunities to improve business process efficiency by standardizing work practices and processes, the delegation of authority and the alignment of access rights with improvements in the internal control framework and based on the needs of the business.**

[51] A/70/5/Add.11, chap. II.

Department responsible:	Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

944. As part of the review of its internal control framework, UNOPS will ensure that internal controls are aligned with the related business processes as well as ICT enforced controls. This will be accompanied by a review of the processes in the various practices.

945. **In paragraph 58, the Board recommended that UNOPS: (a) obtain feedback from practice groups on the performance of the People and Change Practice Group as a business partner; (b) manage and monitor the benefits of recent organizational reforms, including the Global Shared Service Centre; and (c) develop a measure covering the cost efficiency of the human resources function, such as a human resources staff to workforce ratio.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

946. The internal audit report on the review of the Global Shared Service Centre describes the impact of the establishment of the Centre and provides an independent evaluation of the cost and functional efficiency gains.

947. **In paragraph 62, the Board recommended that the People and Change Practice Group, working with the other practice groups, collect and assess information on the knowledge and experience of its workforce to inform future skills and workforce planning.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

948. UNOPS identifies gaps in the skills of its existing workforce through the performance assessment mechanism and through the establishment of talent management pools of experts in different business-critical roles. UNOPS devotes resources to train its workforce in order to reduce skills gaps and has developed robust selection and management processes to identify, place and rotate talents and form talent groups for the different business critical roles. Considering the response of the Board in its current report, UNOPS will revisit and improve the analyses it has done so far.

949. **In paragraph 70, the Board recommended that UNOPS monitor turnover resulting from resignations to inform its workforce planning.**

Department responsible: People and Change Group

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

950. UNOPS expects to complete its human resources data warehouse project and related analyses by the end of 2017.

951. **In paragraph 75, the Board recommended that UNOPS: (a) fully test future business case assumptions to ensure that they are supported by evidence and adequately reviewed; (b) closely monitor the impact of changes in terms for local contractors to ensure that the expected benefits are realized in practice; and (c) implement measures to address the very high turnover rate among individual international contractors, subject to a careful analysis of the causes of turnover and the characteristics of such positions.**

Department responsible: People and Change Group

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

952. With regard to this recommendation, see the comments of UNOPS contained in paragraph 946 above.

953. **In paragraph 88, the Board recommended that UNOPS evaluate the impact of its recent additional investment in training, including whether the type and distribution of training provided is addressing the gaps between current workforce skills and future business needs.**

Department responsible: People and Change Group

Status: In progress

Priority: Medium

Target date: First quarter of 2017

954. UNOPS will implement a new learning management system, on the basis of which further alignment of training resources will be considered.

955. **In paragraph 101, the Board recommended that UNOPS review the merit award scheme to ensure that it is consistently aligned with the achievement of its objective of achieving a break-even.**

Department responsible: People and Change Group

Status: Implemented

Priority: Medium

Target date: Not applicable

956. UNOPS completed the review of the merit award scheme as recommended by the Board.

Report of the Board of Auditors for the year ended 31 December 2015[52]

957. **In paragraph 15, the Board recommended that UNOPS reassess the approved minimum level of operational reserves to take into account actuarial gains and losses previously incurred and the inclusion of property, plant and equipment.**

Departments responsible:	Executive Office and Finance Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

958. UNOPS is having an ongoing dialogue with its Executive Board regarding the utilization of its operational reserves, and specific detailed proposals have been documented in the budget estimates for the biennium 2018-2019 that will cover both contingencies and strategic investments.

959. **In paragraph 16, the Board recommended that UNOPS consider how the reserve surplus might be utilized in the context of a strategic review of its operational resourcing needs.**

Departments responsible:	Executive Office and Finance Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

960. With regard to this recommendation, see the comments of UNOPS contained in paragraph 958 above.

961. **In paragraph 32, the Board recommended that, if adopted, the new governance, risk and compliance framework be used to support the development of a statement on internal control to bring together the structure of the processes and the assurances that underpin them.**

Departments responsible:	Legal Group and Risk and Quality Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

962. The statement of internal control will be developed by bringing the various operational areas of UNOPS together, including compliance, risk management and governance.

963. **In paragraph 33, the Board recommended that UNOPS consider the implementation plan for the new framework, ensuring that it is sufficiently**

[52] A/71/5/Add.11, chap. II.

detailed, clear and realistic, incorporating sufficient training and communication plans, and has clear accountabilities and clear linkage to other UNOPS initiatives.

Departments responsible:	Legal Group, Risk and Quality Group and Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

964. UNOPS is continuing with the roll-out of its enterprise risk management framework. The opportunity and engagement acceptance and quality assurance components have been operationalized, and several risk assessments have been conducted to refine the approach at the organizational level. The Risk and Quality Group, in coordination with the Infrastructure and Project Management Group, will roll out the risk registers at the project and organizational levels. In addition, the Risk and Quality Group is working with the Information and Communications Technology Unit and the Infrastructure and Project Management Group on an ICT solution.

965. **In paragraph 38, the Board recommended that UNOPS ensure that the certification of projects in line with the manuals would be incorporated within oneUNOPS workplans to reinforce compliance.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

966. The incorporation of the certification of projects within oneUNOPS is under implementation and due for completion in the third quarter of 2017.

967. **In paragraph 44, the Board recommended that on receipt of the system controls and configuration report, UNOPS evaluate the recommendations made by the external consultant to consider whether it provides sufficient assurance and, in the event of any weaknesses, undertake a review to consider whether any such weaknesses have been exploited.**

Departments responsible:	Information and Communications Technology Unit and Internal Audit and Investigation Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

968. The Information and Communications Technology Unit, in collaboration with the Internal Audit and Investigation Group, has agreed to an action plan to address the few outstanding high-priority items.

969. **In paragraph 48, the Board reiterated its previous recommendation that UNOPS obtain viable benchmark cost data to inform a review of the benefits arising from process improvements.**

Departments responsible:	Finance Group and Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

970. With regard to this recommendation, see the comments of UNOPS contained in paragraph 941 above.

971. **In paragraph 49, the Board recommended that future significant investments be subject to, in advance, a more robust analysis in terms of process benefits and cost savings to better inform the evaluation of a project's success and to inform future implementation.**

Departments responsible:	Finance Group and Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

972. With regard to this recommendation, see the comments of UNOPS contained in paragraph 941 above.

973. **In paragraph 63, the Board recommended that UNOPS strengthen its engagement acceptance and risk management processes so that they are sufficiently robust to support the assessment of new or novel lines of business.**

Department responsible:	Risk and Quality Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

974. UNOPS continues to roll out its risk management processes and would like to clarify that two of the main components of the risk framework comprise the opportunity and engagement acceptance process and the quality assurance process. The revised opportunity and engagement acceptance process includes a risk assessment to be conducted prior to the signing of any agreement. The Engagement Acceptance Committee's criteria have been revised in line with the risk framework. Reviews of submissions are conducted on the basis of the standard risk categories and presented to the Executive Office for decision. The revised quality assurance process prompts the review, update and regular monitoring of the risk profile of engagements.

975. **In paragraph 90, the Board recommended that, as part of its efforts to strengthen engagement acceptance processes, UNOPS take steps to prevent the**

practice of signing agreements without engagement authority, for example by amending the oneUNOPS system to prevent non-compliance.

Department responsible: Risk and Quality Group

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

976. OneUNOPS has a workflow log that shows the date of approval of the initiation of an engagement, as well as a separate field for the date of "finalization", which is to be completed after the signing of an agreement. Additional improvements will be added to oneUNOPS in order to further discourage the signing of agreements prior to system approval.

977. **In paragraph 95, the Board recommended that UNOPS: (a) conduct a comprehensive review of the pricing policy to consider how best to take risk into account in ways that are consistent, transparent and evidence-based; and (b) develop a policy for the use of accumulated financial surpluses arising from "risk increments" received but not ultimately required.**

Department responsible: Finance Group

Status: In progress

Priority: Medium

Target date: Second quarter of 2018

978. UNOPS has established a new approach to calculate risk based on the classification of engagements. This approach is currently reflected in the draft policy documents that will be published under the new governance framework.

XV. United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[53]

979. The status of implementation of recommendations as at August 2017 is summarized in tables 40 and 41 below.

Table 40
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Programme Support Division	1	–	–	1	1	–
Management and Administration Division	2	–	–	2	2	–
Total	**3**	**–**	**–**	**3**	**3**	**–**

[53] A/72/5/Add.12, chap. II.

Table 41
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Management and Administration Division	7	–	2	5	5	–
Management and Administration Division and Programme Support Division	4	–	–	4	4	–
Human Resources Office	2	–	–	2	2	–
Programme Support Division	7	–	1	6	6	–
Total	**20**	**–**	**3**	**17**	**17**	**–**

980. **In paragraph 15, UN-Women agreed with the Board's recommendation that it comply with advance regulations to ensure that advances are recovered promptly through payroll and that corrective actions are taken in a timely manner.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

981. UN-Women has strengthened its systems to ensure compliance with regulations on staff advances, including by having regional offices perform quarterly reviews of outstanding staff advances and setting up a new intranet page to increase the visibility of general ledger reconciliations. The local payroll service provider and the Office of Human Resources are engaged in efforts to deal with the delayed recoveries.

982. **In paragraph 20, UN-Women agreed with the Board's recommendation that it establish comprehensive follow-up plans for risk mitigation actions to enable the establishment of long-term methodologies, the monitoring of actions taken, criteria and risk matrices and a time frame for addressing the established risks.**

983. UN-Women has commenced an upgrade of the enterprise risk management OneApp platform that entails the addition of a task management module. The module will prompt risk focal points and risk owners to review the status of implementation of their mitigation actions on a quarterly basis. This tool will also facilitate oversight by generating a report on uncompleted tasks related to mitigation actions and related plans. Furthermore, the module will be linked to the country office assessment tool in OneApp to drive compliance and enhance the sustained practice of risk management.

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

984. **In paragraph 26, the Board recommended that UN-Women: (a) finalize the appointment of country office representatives; and (b) find a means to catalyse the negotiations regarding standard basic assistance agreements to enable offices to exercise full powers and privileges in raising and using resources for programmes and projects.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

985. UN-Women makes every effort to appoint country representatives in a timely manner. If exceptional delays are anticipated that are beyond its control, an officer-in-charge is designated to deal with negotiating the standard basic assistance agreement without further delay. In the past six months, UN-Women has appointed eight new country representatives, with the average recruitment process ranging from 4.1 to 5.7 months. UN-Women is finalizing a review of all outstanding standard basic assistance agreements, and a protocol is being formulated to provide guidance in establishing them.

986. **In paragraph 30, UN-Women agreed with the Board's recommendation that it develop and disseminate finance policies and procedures for engaging in activities on an urgent basis and in crisis environments.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

987. UN-Women has finalized and disseminated fast-tracking procedures in the area of human resources. Other components of the fast-tracking procedures will be released before the end of 2017. Following the complete roll-out of all fast-tracking procedures, UN-Women will conduct webinars outlining the procedures and their application.

988. **In paragraph 36, UN-Women agreed with the Board's recommendation that it: (a) review the service-level agreement with UNDP and incorporate a clause on mandatory assessment of the services rendered; and (b) regularly review service-level agreements and assess the services rendered in order to enhance the realization of best value from the services provided.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

989. UN-Women has conducted a review of service-level agreements in place at the country office level. The key performance indicators will be included in all service-

level agreements to be assessed on an annual basis and factored into the level of services to be renewed.

990. **In paragraph 42, UN-Women agreed with the Board's recommendation that it: (a) ensure that the selection of implementing partners is strengthened and the requirements of the programme and operations manual regarding the selection process are adhered to; and (b) perform partner risk rating to identify the score for each implementing partner against the tolerable risk level.**

Department responsible:	Programme Support Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

991. UN-Women has finalized and disseminated an updated chapter of the programme and operations manual. The revised manual strengthens the requirements for the selection of implementing partners.

992. **In paragraph 48, the Board recommended that UN-Women: (a) issue a guidance note to field offices for documenting the whole process of determining support cost rates with implementing partners, including the criteria or basis to be applied when negotiating support cost rates; and (b) follow up with the field offices to ensure that budget and expenditure codes are specified for the contingent funds.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

993. UN-Women is carrying out a review of project cooperation agreements that will limit the support costs of implementing partners in line with the cost-recovery policy. UN-Women will reinforce the guidance to field offices in the monthly closure certification to ensure that the budget and expense codes are specified.

994. **In paragraph 53, the Board recommended that UN-Women: (a) take steps to improve the rate of completion of activities under the integrated monitoring, evaluation and research plan in its field offices; and (b) ensure that the monitoring, evaluation and research plan clearly identifies the activities to be achieved with the proposed funding and sets realistic target dates for starting and completing the activities under the plan.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

995. UN-Women has improved the rate of implementation of planned evaluations. Improvements in monitoring and evaluation skills at field offices were made through a new training module. In addition, the guidance for the preparation of the

2018 strategic notes and annual workplans has emphasized that offices are to clearly identify measures to enable them to implement their monitoring, evaluation and research plans. To further improve compliance, technical guidance and oversight provided by the regional offices is reinforced by the close monitoring and required annual reporting at headquarters of the status of the implementation of the monitoring, evaluation and research plans.

996. **In paragraph 58, the Board recommended that UN-Women: (a) expedite the development of policy and guidelines that clearly define the rationale for the establishment of the programme presences and the management of programme and field presences; and (b) develop business cases for the already established programmes and field presences so as to suit the current needs and situation.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	High
Target date:	Second quarter of 2018

997. UN-Women is developing a country presence assessment tool that will define country presence criteria on the basis of the principles outlined in the draft strategic plan 2018-2021. The tool will be accompanied by a policy and guidance on its application.

998. **In paragraph 63, UN-Women agreed with the Board's recommendation that it approve and submit reports to donors within the specified time frame to maintain sound relationships with donors and secure sustainable funding from present and prospective donors.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

999. UN-Women has decentralized the responsibility and accountability of donor reporting to the heads of offices. In addition, UN-Women is strengthening staff capacity for donor financial reporting and project financial closure at both the headquarters and regional levels. The first stage of the automation of financial donor reports was tested successfully in June 2017, and the development of the second stage is ongoing. The donor agreement management system dashboard shows overdue reports, which are also reported on a monthly basis to senior management for follow-up and action.

1000. **In paragraph 67, the Board recommended that UN-Women expedite the financial closure of all operationally closed projects within 12 months of operational closure, as required by the financial regulations and rules.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1001. UN-Women launched the new automated operational and financial project closure workbench tool, which is embedded in the Atlas system, in late May 2017. Entity-wide training was provided to all offices through webinars in early June. Oversight is conducted from headquarters through a dashboard. Delays in the closure of projects are monitored on a monthly basis through a dashboard and reported to senior management for follow-up and action.

1002. **In paragraph 72, UN-Women agreed with the Board's recommendation that it enhance its accountability and monitoring of advances to implementing partners at the project level in order to ensure adequate recovery of such balances, as deemed appropriate.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1003. Aged advances decreased in 2016 to $3.5 million, from $5.2 million in 2015 (a decrease of 32.7 per cent). Those advances comprised $2.7 million issued to implementing partners and $0.8 million to other United Nations agencies. Heads of offices and sections are engaged in resolving long-outstanding partner advances that are reported to senior management. UN-Women reviews and reports aged partner advances twice a month and has put in place a dashboard to capture such data for ease of follow-up.

1004. **In paragraph 81, UN-Women agreed with the Board's recommendation that it: (a) consider the use of the implementing agent code in the chart of accounts for Atlas to enhance efficiency and effectiveness; (b) work closely with the global auditors to review the audit process to ensure that project audit reports are submitted in a timely manner; and (c) enhance the capacity of the Audit Coordination Unit to ensure that it supports effectively the oversight function in the organization.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1005. With regard to part (a) of the recommendation, UN-Women is currently reviewing the introduction of the implementing agent code, which involves the Atlas administrator (i.e., UNDP) and the engagement of regional offices. This will start with all new advances once the policy and protocol are established. Regarding part (b) of the recommendation, UN-Women will proceed with the development or

adoption of related computerized systems with other United Nations agencies upon the full application of the implementing agent code. Having a computerized system in place to support project audit activities will allow for timely audit planning and facilitate an earlier start on audits, resulting in the timely submission of audit reports. Discussions on improving timely delivery have been ongoing with the global auditors, and it has been mutually agreed that timelines will be changed to support the project audits once the system has been completed. With regard to part (c) of the recommendation, the capacity and structure of the Audit Coordination Unit is under review.

1006. **In paragraph 86, the Board recommended that UN-Women field offices: (a) minimize errors by strengthening the asset management function through improvement of the internal check system; (b) exclude taxes when recording the assets in the system and claim a tax refund from the Government; (c) update the assets register with the current physical locations of all presented assets so that they can be traced reliably; and (d) ensure that in writing off lost assets, they follow the guidelines of the programme and operations manual by investigating and documenting the results of disposal arrangements.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

1007. UN-Women is enhancing the asset management function by upgrading the internal check system and by recruiting specialist staff to strengthen the capacity for providing corporate guidance and monitoring of the accuracy of the assets management function across the Entity. Monthly review of the asset register is required under the end-of-month closure instructions.

1008. **In paragraph 90, UN-Women agreed with the Board's recommendation that it ensure compliance with the automated leave management system in place through Atlas to enable the timely submission of leave requests by staff members and their subsequent approval by supervisors.**

Department responsible:	Human Resources Office
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2018

1009. UN-Women has issued updates on the leave management process. Webinars and training on the timely submission and approval of leave requests were made available to all staff. UN-Women will monitor compliance by its staff members accordingly.

1010. **In paragraph 95, the Board recommended UN-Women ensure that staff performance reviews are done in compliance with the requirements of the programme and operations manual.**

Department responsible:	Human Resources Office
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2018

1011. UN-Women has increased organizational awareness on performance management and development through the provision of dedicated training and informational sessions (more than 400 staff have been trained) and strengthened the monitoring of compliance through an online dashboard with real-time statistics. This has facilitated more efficient and effective follow-up with departments and has contributed to greater staff compliance, with an increase from 35 per cent compliance in 2015 to 89 per cent in 2016.

1012. **In paragraph 100, the Board recommended that UN-Women field offices: (a) comply with the travel policy requirements so as to make use of any possible savings that result from the early booking of travel tickets; and (b) introduce enforcement mechanisms to ensure the submission of travel claims soon after the completion of travel to enable the timely liquidation of travel advances.**

Department responsible:	Management and Administration Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

1013. UN-Women rolled out a corporate travel monitoring tool that facilitates the oversight of outstanding travel advances. The chapter on duty travel of the programme and operations manual has been updated to enforce the early booking of travel tickets as well as strict requirements for the liquidation of travel advances, where no new advances will be made to travellers unless prior advances have been settled. UN-Women, through its monthly certification, also instructs offices to ensure the timely settlement of travel advances.

1014. **In paragraph 106, the Board recommended that UN-Women: (a) review the job descriptions of staff of the Information Systems and Telecommunication Office on periodic basis to provide complete and clear direction regarding the roles and responsibilities of each staff member in accordance with actual ICT services and support; and (b) develop an interface to be used by business application owners for user access provisioning in OneApp with segregation of duties.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1015. UN-Women is reviewing and updating the job descriptions of its ICT staff. It has developed and rolled out a user access control interface that ensures the segregation of duties.

1016. **In paragraph 111, the Board recommended that UN-Women: (a) document the processes used to destroy data before ICT assets are disposed of; and (b) record details of each destroyed data storage device and verify and approve the action taken.**

Department responsible:	Management and Administration Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

1017. Following the audit recommendation, UN-Women formalized written instructions on the process for destroying data media at headquarters. A new process for documenting data-wiping has also been implemented.

1018. **In paragraph 116, the Board recommended that UN-Women: (a) finalize the development of and implement formal procedures to grant, revoke and monitor logical access for all ICT systems; (b) review and remove or disable all user accounts of former staff who have separated from UN-Women; and (c) strengthen the country office assessment tool to include country office compliance with ICT standards, compel field offices to provide information about the local situation and details of gateway protections to headquarters and ensure support to the field from the central ICT function.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1019. Regarding part (a) of the recommendation, UN-Women has established formal procedures for managing user access. This will be combined with automation of the process to disable system access when personnel leave the organization, covering part (b) of the recommendation. With regard to part (c), UN-Women is revising the structure of and functions performed by ICT staff, which includes increased focus in the infrastructure team on providing stronger advisory services to field offices. As part of this change, processes will be established to flag non-compliance to country office management.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

1020. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.12, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the five recommendations listed as outstanding from prior periods. The information is set out below in the order in which the recommendations are presented in the annex.

1021. The overall situation is summarized in table 42 below.

Table 42
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Programme Support Division	2	–	–	2	2	–
Management and Administration Division	2	–	2	–	–	–
Management and Administration Division and Programme Support Division	1	–	–	1	1	–
Total	5	–	**2**	**3**	**3**	–

Report of the Board for the year ended 31 December 2014[54]

1022. **In paragraph 15, the Board recommended that UN-Women ensure that: (a) all relevant data are available at the time of the preparation of the annual workplan; and (b) all field offices establish baselines and targets for all expected outputs, outcomes and indicators in the annual workplans, as required by the programme and operations manual.**

Department responsible: Programme Support Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

1023. UN-Women is on track to implement this recommendation by the fourth quarter of 2017. The guidance for the preparation of the 2018 strategic notes and annual workplans in particular requires that baselines and targets be established for all expected outputs, outcomes and indicators. When proposing new interventions, it is strongly emphasized that data, statistics and evidence should be used. Additionally, the results-based management system requires the inclusion of baselines and targets as from November 2017 for 2018.

Report of the Board for the year ended 31 December 2015[55]

1024. **In paragraph 22, the Board recommended that UN-Women strengthen asset management controls in the field by: (a) continuing training on the management of assets to address the deficiencies identified; (b) providing central oversight reviews of asset management reports on a monthly basis to ensure that serial numbers are correctly entered; and (c) investigating why Atlas module software controls could not prevent the occurrence of duplicate serial numbers within the same business unit.**

[54] A/70/5/Add.12, chap. II.
[55] A/71/5/Add.12, chap. II.

Department responsible:	Management and Administration Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

1025. Part (a) of the recommendation was deemed by the Board to have been implemented. With respect to part (b) of the recommendation, UN-Women performs monthly reviews and follows up to reduce the quantity of assets without serial numbers. The recruitment of an asset specialist will provide additional capacity for corporate guidance and monitoring of the asset register for accuracy. With respect to part (c) of the recommendation, the asset module in the Atlas system has been reviewed, and its built-in function to prevent duplicate serial numbers has been verified. All recommendations have been completed by the new target date.

1026. **In paragraph 36, the Board recommended that UN-Women expedite the revision of the programme and operations manual and the related business process review so that the inconsistencies and ambiguous language in annex D to the manual (on programme and project formulation) are addressed and cleared in a timely manner.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

1027. UN-Women is conducting the final review of the updated chapters of the programme and operations manual before dissemination. The revised chapters will strengthen the selection of implementing partners and address the language in annex D. UN-Women has set a new target implementation date for this recommendation.

1028. **In paragraph 50, the Board recommended that UN-Women improve the quality of the data maintained in Atlas regarding the status of projects.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1029. UN-Women has launched the project closure tool, which facilitates the monitoring of projects and allows the review of project status in a timely manner. The accuracy of project status in Atlas has improved, but there are still inconsistencies with the end date of projects. The automated tool and associated dashboard expedites the review process and allows for improved oversight. UN-Women has set a new target implementation date for this recommendation.

1030. **In paragraph 56, the Board recommended that UN-Women further improve its integrated budget and enhance its results-based budgeting in line with the harmonization requirements of UNDP, UNFPA and UNICEF.**

Department responsible:	Management and Administration Division
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

1031. UN-Women has completed action on this recommendation for the Board's assessment. UN-Women remains aligned with the harmonized results-based budgeting and cost classification methodology as applied by UNDP, UNFPA and the United Nations Children's Fund. The 2018-2019 integrated budget is prepared with strengthened linkages between results and resources.

XVI. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[56]

1032. The status of implementation of recommendations as at August 2017 is summarized in tables 43 and 44 below.

Table 43
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	3	–	1	2	2	–
Total	**3**	**–**	**1**	**2**	**2**	**–**

Table 44
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	7	–	1	6	6	–
Total	**7**	**–**	**1**	**6**	**6**	**–**

1033. **In paragraph 15, the Board recommended that the International Residual Mechanism for Criminal Tribunals take note of the deficiencies identified in the liquidation budget of the International Criminal Tribunal for**

[56] A/72/5/Add.13, chap. II.

Rwanda and that the joint management team of the International Tribunal for the Former Yugoslavia and the Mechanism include relevant budgetary provisions to cover, to the greatest possible extent, expenses related to the liquidation of the International Tribunal for the Former Yugoslavia in order to avoid overexpenditure.

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2017

1034. The Mechanism will include provisions for all outstanding separation costs related to the International Criminal Tribunal for Rwanda in the second performance report, to be issued in September 2017. That presentation will be in accordance with the April 2017 support guide for the preparation of the proposed budget for the biennium 2018-2019.

1035. **In paragraph 28, the Board recommended that United Nations Headquarters, through the Mechanism, take the staff attrition problem as a lesson learned for the Tribunals and ensure that measures are put in place to guarantee the availability of staff during future liquidations, including that of the International Tribunal for the Former Yugoslavia.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1036. The Mechanism notes that the International Tribunal for the Former Yugoslavia has been actively concerned about the challenges brought by attrition and has taken several proactive measures to address them. The Mechanism will ensure that all appropriate resources are applied to ensure the successful and timely completion of all liquidation activities for the Tribunal.

1037. **In paragraph 29, the Board recommended that the Mechanism take note of the deficiencies noted with respect to the liquidation of the International Criminal Tribunal for Rwanda as lessons learned and that the joint management team of the International Tribunal for the Former Yugoslavia and the Mechanism take the risks related to those deficiencies into consideration when developing the risk management strategies for the liquation of the International Tribunal for the Former Yugoslavia.**

Department responsible:	Registry
Status:	Implemented
Priority:	High
Target date:	Not applicable

1038. The Mechanism notes that the International Tribunal for the Former Yugoslavia, in its revised liquidation plan, has demonstrated that it has reviewed the

lessons learned from the liquidation of the International Criminal Tribunal for Rwanda and has taken active measures to manage the risks related to the deficiencies that were noted.

1039. **In paragraph 36, the Board recommended that, as part of lessons learned from the liquidation of the International Criminal Tribunal for Rwanda, the Mechanism, in collaboration with United Nations Headquarters, develop guidance that takes into account the need to have oversight of the performance of the liquidation team, reduce costs and guarantee the availability of professional staff when downsizing and liquidating United Nations entities in the future, including the International Tribunal for the Former Yugoslavia.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1040. The Mechanism will liaise with United Nations Headquarters to develop guidance on liquidation based on the lessons learned from the liquidation of the International Criminal Tribunal for Rwanda.

1041. **In paragraph 41, the Board recommended that, as one of the lessons learned from the liquidation of the International Criminal Tribunal for Rwanda, the Mechanism liaise with United Nations Headquarters to ensure that guidance on the scheduling of critical activities is in place and can be used during the downsizing of the International Tribunal for the Former Yugoslavia.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1042. The Mechanism notes that the International Tribunal for the Former Yugoslavia has consulted with United Nations Headquarters on several issues regarding its impending liquidation. Consequently, the lessons learned from the liquidation of the International Criminal Tribunal for Rwanda are taken into consideration in the revised liquidation plan of the International Tribunal for the Former Yugoslavia.

1043. **In paragraph 49, the Board recommended that the Mechanism ensure that follow-up measures are taken to recover the amount remaining in accounts receivable.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1044. In 2016, the Mechanism recovered nearly $1.8 million in outstanding accounts receivable of the International Criminal Tribunal for Rwanda, which is

about 83 per cent of the total amount that was outstanding at the time of the closure of the Tribunal. As at 31 July 2017, only $146,597 was outstanding, of which $121,000 relates to a clearing account balance, the final settlement of which is expected before the end of 2017.

1045. **In paragraph 52, the Mechanism agreed with the Board's recommendation that the joint management team of the International Tribunal for the Former Yugoslavia and the Mechanism, together with the Office of Programme Planning, Budget and Accounts, consider the preparation of a handover certificate of assets and liabilities for the future liquidation of the International Tribunal for the Former Yugoslavia.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1046. The International Tribunal for the Former Yugoslavia, in coordination with the Mechanism, will seek the guidance from the Office of Programme Planning, Budget and Accounts, as recommended by the Board.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

1047. In paragraph 6 of its report for the year ended 31 December 2016, the Board confirmed that there were no outstanding recommendations from previous years relating to the International Criminal Tribunal for Rwanda.

XVII. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[57]

1048. The status of implementation of recommendations as at August 2017 is summarized in tables 45 and 46 below.

Table 45
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	1	–	–	1	1	–
Total	**1**	**–**	**–**	**1**	**1**	**–**

[57] A/72/5/Add.14, chap. II.

Table 46
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	3	–	1	2	2	–
Total	**3**	**–**	**1**	**2**	**2**	**–**

1049. **In paragraph 20, the Tribunal agreed with the Board's recommendation that it review the affected record retention schedules and subsequently approve them for more effective and efficient implementation of the records disposition plans.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Third quarter of 2017

1050. The International Tribunal for the Former Yugoslavia notes that most of its record retention schedules have already been completed and approved and are in effect. As at August 2017, over 70 per cent of all physical records and over 60 per cent of all digital records have been disposed of in accordance with the approved schedules, by being transferred either to the archives or to the active offices of the International Residual Mechanism for Criminal Tribunals or destroyed. The remaining schedules have been drafted and are awaiting approval from the Archives and Records Management Section of the Office of Central Support Services of the Secretariat.

1051. **In paragraph 25, the Tribunal agreed with the Board's recommendation that it review the configuration of all information systems and enforce password specifications in accordance with ICT policy and procedures.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

1052. The Tribunal noted that the ICT policy on password specifications had been applied to all active directory accounts and that it would be applied to the Tribunal's email accounts when they were migrated to the Mechanism's servers in November 2017.

1053. **In paragraph 30, the Tribunal agreed with the Board's recommendation that it conduct a post-implementation review of completed projects immediately after their completion or in accordance with timelines contained in business cases.**

Department responsible: Registry

Status: Implemented

Priority: Medium

Target date: Not applicable

1054. The Tribunal noted that post-project implementation reviews had been submitted for all completed projects and that they would continue to be completed in accordance with the timelines outlined in high-level business cases.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

1055. In annex I to its report for the year ended 31 December 2016 (A/72/5/Add.14, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the three recommendations that were assessed by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

1056. The overall situation is summarized in table 47 below.

Table 47
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	3	–	–	3	3	–
Total	**3**	**–**	**–**	**3**	**3**	**–**

1057. **In paragraph 29 of the report of the Board of Auditors for the year ended 31 December 2015 (A/71/5/Add.14, chap. II), the Tribunal agreed with the Board's recommendation that it: (a) liaise with the Umoja security team to determine appropriate ways to reduce the delays in providing access to Umoja users; and (b) ensure the timely deprovisioning of user roles in the Umoja system for separated staff.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

1058. Recent improvements in the user access provisioning module in Umoja have substantially reduced delays in the assignment of roles for Umoja transactional users. The Tribunal is waiting for the completion of a new report in Umoja in order to provide evidence of the decrease in delays in access requests.

1059. **In paragraph 34, the Tribunal agreed with the Board's recommendation that it devise a viable training schedule to ensure that all staff complete the appropriate computer-based training in Umoja.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1060. The Tribunal's management is following up with all staff members to ensure that they have completed the necessary computer-based training and is tracking the completion rates.

1061. **In paragraph 48, the Tribunal agreed with the Board's recommendation that it finalize the process of identifying the best location for the disaster recovery site and that it relocate the current off-site data backup location to a different site.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1062. The Tribunal entered into a memorandum of understanding with another organization in The Hague and relocated its off-site data backup to that location. The joint Information and Communications Technology Committee of the Tribunal and the International Residual Mechanism for Criminal Tribunals is considering options for the location of the disaster recovery site in the context of the impending liquidation of the Tribunal.

XVIII. International Residual Mechanism for Criminal Tribunals

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2016[58]

1063. The status of implementation of recommendations as at August 2017 is summarized in tables 48 and 49 below.

Table 48
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	4	–	–	4	4	–
Total	**4**	**–**	**–**	**4**	**4**	**–**

[58] A/72/5/Add.15, chap. II.

Table 49
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	13	–	1	12	12	–
Total	**13**	**–**	**1**	**12**	**12**	**–**

1064. **In paragraph 18, the Mechanism agreed with the Board's recommendation that it: (a) ensure that the contractor and the architect complete the remaining works on the new facility under the defect liability period without further delay; and (b) continue to engage with the Secretariat on how to recover liquidated damages, as legally appropriate and economically feasible.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

1065. The contractor and architect are providing updates on the progress made with regard to the rectifications that have been recorded and are completing the remaining work on the new facility. After the receipt and inspection of their progress report, the Mechanism will issue to them a formal notification to ensure that any remaining works are completed properly and in a timely manner. As part of this process, information will also be provided to the Mechanism's liaison to the appropriate offices in the United Nations Secretariat to facilitate a determination of whether the liquidated damages can be recovered legally and economically and if so, how much.

1066. **In paragraph 23, the Mechanism agreed with the Board's recommendation that it exercise close supervision and ensure that the contractor conducts the 10 remaining training events and orientation sessions for the users of the new building without further delay.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

1067. Nine training events and orientation sessions have been conducted for building users, and the remaining ones will be done after defects in the archive facility have been rectified.

1068. **In paragraph 25, the Mechanism agreed with the Board's recommendation that it instruct the contractor to submit a revised work programme in order to monitor the outstanding work items and defects on the list.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1069. With regard to this recommendation, see the comments of the Mechanism contained in paragraph 1065 above.

1070. **In paragraph 29, the Mechanism agreed with the Board's recommendation that it liaise with the architect and the contractor to ensure that the contractor fully adheres to the contract terms regarding the waste management plan and ensures the compaction of loose soil material as required.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1071. Work is under way to confirm the extent of the original scope of the required work that has been completed, after which the architect will ensure that the contractor completes the compaction of loose soil material.

1072. **In paragraph 34, the Board recommended that the Mechanism ensure that the contract with the current owner of the premises is signed and that proper documentation on progress made in securing and renovating the office premises is maintained.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1073. The Mechanism has a long-standing written commitment from the owner of the premises that it can remain in the current premises beyond 2017. In this regard, a final draft contract is being discussed, and the Mechanism expects to sign a new lease by the end of 2017.

1074. **In paragraph 40, the Mechanism agreed with the Board's recommendation that it revise its time frame for the development of an archives and records management governance document and establish a clear timeline for developing and implementing all remaining policies, guidelines and procedures.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1075. The Mechanism's Archives and Records Section is preparing a revised document development time frame, in which it will establish clear timelines for the development of all remaining policy documents.

1076. **In paragraph 46, the Mechanism agreed with the Board's recommendation that the Mechanism's Archives and Records Section develop an overall project plan/workplan for the entire backlog project, including a determination of all of the cases and records to be covered and the corresponding time frame, and for how it will monitor the plan's implementation.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1077. The Mechanism's Archives and Records Section is currently preparing an overall project workplan for the backlog project, including a timeline and provisions for monitoring its implementation.

1078. **In paragraph 51, the Mechanism agreed with the Board's recommendation that the Mechanism ensure that all records in the repositories of the Archives and Records Section are clearly reviewed and mapped to the approved record retention schedules and that there is effective implementation through initiation of the appropriate disposition actions.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1079. The Mechanism's Archives and Records Section is facilitating the timely and comprehensive transfer of all physical and digital records from the International Tribunal for the Former Yugoslavia to the Mechanism ahead of the liquidation of the Tribunal, which is scheduled for the end of 2017. Once the project is completed, the Section will have the resources available to commence the remapping of the repositories.

1080. **In paragraph 56, the Mechanism agreed with the Board's recommendation that it ensure that the approval process is expedited in line with paragraph 26 of the standard operating procedures on travel requests and authorizations of 30 March 2015.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1081. The Mechanism will take steps to ensure that the approval process with respect to travel requests is expedited. Furthermore, the relevant standard operating procedure will be revised in line with the Mechanism's policy development framework.

1082. **In paragraph 61, the Board recommended that the Mechanism consistently monitor accountability of travel advances by ensuring that travel reimbursement forms are submitted in a timely manner and that the requisite measures are instituted in the event of non-compliance.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

1083. The Mechanism has instituted a weekly review of outstanding expense reports for the purpose of following up with staff members who do not complete theirs on time. In addition, a feature in Umoja has been activated that will trigger the recovery of travel advances in the event of non-compliance with the prescribed deadlines.

1084. **In paragraph 67, the Mechanism agreed with the Board's recommendation that it review and formalize the procedure for the provisioning and deprovisioning of user access to Records Manager Version 8.1 (RM8) with a defined user role matrix.**

Department responsible:	Registry
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

1085. The user role matrix was provided to the Board for its review prior to the publication of the final report. Accordingly, the Mechanism's management requests the closure of this recommendation.

1086. **In paragraph 72, the Mechanism agreed with the Board's recommendation that it review, update and test the disaster recovery plan of the Mechanism's Arusha branch and implement thereafter a comprehensive disaster recovery plan, taking into consideration all of the information systems and their dependencies.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

1087. The Mechanism will undertake a complete review of the disaster recovery plan of its Arusha branch, update it as required and ensure that it is implemented accordingly.

1088. **In paragraph 80, the Board recommended that the Mechanism expedite the assessment and review of its ICT organizational structure to ensure that functions are located outside the ICT unit only for approved reasons and that ICT functions are mainly consolidated and centralized so as to prevent the fragmentation of ICT expertise and capacity.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

1089. The Mechanism is assessing and reviewing its ICT organizational structure, and the results will be further reviewed and approved by the Mechanism's ICT Committee.

B. Implementation of recommendations contained in reports of the Board of Auditors for prior financial periods

1090. In the annex to its report for the year ended 31 December 2016 (A/72/5/Add.15, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. Information is provided below on the two recommendations that were assessed by the Board to be under implementation, which is set out in the order in which the recommendations are presented in the annex.

1091. The overall situation is summarized in table 50 below.

Table 50
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented or closure requested*	*In progress*	*Target date set*	*No target date*
Registry	2	–	–	2	2	–
Total	**2**	**–**	**–**	**2**	**2**	**–**

1092. **In paragraph 26 of the report of the Board of Auditors for the period ended 31 December 2015 (A/71/5/Add.15, chap. II) the Board recommended that the Mechanism use the policy development framework to update its**

administrative rules, policies and procedures to suit its current operating environment.

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1093. The Mechanism is using its policy development framework to update its administrative rules, policies and procedures. In addition, given that the implementation of Umoja has overtaken the requirement for policy and guidance documents in some areas, the Mechanism is reviewing its current documents to determine which ones require updating and which ones have been overtaken by events.

1094. **In paragraph 52 of the same report, the Board recommended that the Mechanism collaborate with the Procurement Division at Headquarters to: (a) continue to closely monitor the project so as to avoid further delays; (b) prepare a project plan and supervise its implementation to demonstrate how the project will be completed on time and within the approved budget; and (c) evaluate and enforce the provision regarding liquidated damages, as appropriate, for the failure of the contractor to abide by the terms of the contract.**

Department responsible:	Registry
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

1095. The Board has closed part (a) of the recommendation and assessed part (b) as having been overtaken by events. Regarding part (c), see the comments of the Mechanism contained in paragraph 1065 above.